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# INTERNATIONAL LABOUR OFFICE

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STUDIES AND REPORTS

Series B (Economic Conditions) No. 34

## The Labour Situation in Great Britain

A Survey: May–October 1940

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MONTREAL, 1941

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## PREFACE

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The purpose of this survey is to present a general picture of the manner in which Great Britain adapted its administrative machinery and its labour and social policies and practices to the needs of total war during the period May-October 1940. The situation portrayed is not a stable one; it is constantly changing to meet the necessities of the moment and of the immediate future. Indeed the situation to-day is already in some respects very different from that existing at the end of the period covered in these pages. Nevertheless, the International Labour Office publishes this survey in the belief that it will enable readers to interpret more accurately both the action already taken and subsequent developments. Information on these developments is to be found in the monthly *International Labour Review*, a publication of the International Labour Office.

This survey was prepared in the London Branch of the International Labour Office by Mr. A. D. K. OWEN, Stevenson Lecturer in Citizenship at the University of Glasgow and Secretary of the Civic Division of P.E.P. (Political and Economic Planning), and Mr. Neil LITTLE, a member of the Geneva staff of the International Labour Office.

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# **The Labour Situation In Great Britain**

**A Survey: May–October 1940**

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## **THE POLITICAL BACKGROUND**

Since the first week of May 1940 the economic and social life of Great Britain has been dominated by the tremendous events which have taken place across the narrow waters and, later, in the sky above the island. During the earlier months of the war military and industrial mobilisation, air-raid precautions, the evacuation of children and nursing mothers from areas thought to be vulnerable, and a mild instalment of rationing and price control, bore witness to the fact that the community was undergoing an unusual strain, but hardly more. On the other hand many old controversies, which had embittered political life and industrial relations, had been dropped, and there was evidence of quite remarkable unity of feeling and opinion on the major issue of the war. The Government, with the approval of the Labour and Liberal Opposition, had taken sweeping powers under emergency legislation at the outbreak of war, and an impressive system of wartime controls, involving a considerable expansion of the central administration and the creation of a regional administrative organisation, had been established. But the tempo of the war in the West seemed to reflect itself in the leisurely manner in which some of Britain's war preparations were being carried out. There were criticisms of lagging production, imperfect co-ordination of departmental planning, and lack of imagination and zeal in the prosecution of the war effort as a whole. The fact that unemployment had declined so slowly, in spite of the calling up of hundreds of thousands of men and the demands of the war supply industries, was held by many to be symptomatic of the Government's failure to organise the community effectively for the conduct of modern war.

The invasion of Scandinavia and the subsequent military reverses in Norway opened up an entirely new phase in the British war effort. As soon as the extent and circumstances of the Norwegian reverses became widely known, criticism of the Government sharpened and, following a remarkable drop in their parliamentary majority, Mr. Chamberlain's Government resigned. They gave place to a new Government under Mr. Winston Churchill, which included several prominent members of the Labour and Liberal Parties. Before this Government was actually formed, the

German invasion of the Low Countries destroyed any illusions which may have remained that the war could be won without supreme exertion and sacrifice. Within a few weeks of the formation of the new Government the sensational successes of the German armies in Holland, Belgium, and France, the surrender of the King of the Belgians, the evacuation from Dunkirk, and, finally, the collapse of France, brought the people of Britain face-to-face with an immediate threat of invasion and the possibility of defeat.

During the summer months political, economic and social developments in Great Britain were governed by two major factors: (1) the exigencies of the military situation, and (2) the influence of the Labour Party on the Government's domestic policy. The military situation was one of unparalleled gravity, and the main task of the new Government was to organise the defence of Great Britain against the immediate threat of invasion and to mobilise all the nation's resources of manpower and materials to make good the losses at Dunkirk and to overtake the enemy's lead in war preparedness, especially in those departments — military aviation and mechanised land warfare — where this lead had been most plainly demonstrated by the events in France.

In undertaking this formidable task, the Government had the almost unanimous support of the House of Commons and public opinion, and they were in a position to take whatever measures seemed necessary — however radical they might be — to deal with the situation. The presence in the Government of well-known labour leaders, with the full backing of the Labour Party and the Trades Union Congress, made it possible to take action on which a less representative administration could not have embarked without risk of public opposition. At the same time, the labour leaders were able to insist on certain elements in domestic policy which have helped appreciably to strengthen the sense of national unity which a common danger has engendered. Their influence is plainly to be seen in revised regulations governing the administration of supplementary old-age pensions; the new scales of workmen's compensation and other social insurance payments; the improved Service pensions; the announced modification of the "Means Test"; the greater participation of trade union representatives in official activities; the creation of an industrial welfare department at the Ministry of Labour; and the raising of the Excess Profits Duty to 100 per cent.

When the new Government took office on 11 May 1940, the Germans had already invaded the Low Countries. Ten days later, they had reached Amiens, and Mr. Attlee, until lately leader of His Majesty's Opposition, now a member of the War Cabinet and Deputy Leader of the House of Commons, rose to introduce the Emergency Powers (Defence) Act, 1940. This Act had all the appearance of revolutionary legis-



lation. It extended the powers already conferred upon the King by the Emergency Powers (Defence) Act, 1939, to include the power to make Defence Regulations "for requiring persons to place themselves, their services and their property at the disposal of His Majesty", and also prolonged the Act of 1939 by another year. The situation, declared Mr. Attlee, was so critical that the Government were compelled to seek special powers. They must mobilise to the full the whole resources of the country. Every private interest must give way to the urgent needs of the community. The Government should be given complete control over persons and property, not just some persons of some particular class of the community, but all persons, rich and poor, employer and workman, man and woman, and all property. And, lest there should be any doubt as to the implications of this measure, Defence Regulations were immediately issued which gave the Minister of Supply extensive powers over "controlled undertakings" and conferred upon the Minister of Labour and National Service the power to direct any person in the United Kingdom to perform any services or to register himself as directed.

These apparently far-reaching legislative measures were followed up by administrative action over a wide field aiming at the intensification of the industrial war effort. It is worth remarking that this was achieved with comparatively little use of the compulsory powers which had been provided. A thorough overhaul of the machinery of Government control exercised by the Ministry of Supply had considerable results. Even more important, however, was the extraordinary response of employers, managers, and workers, in all the important war supply industries to the appeal for greater output. Hard-won and long-established labour standards, embodied in protective legislation and collective agreements, were temporarily abandoned, and extremely long hours were worked, often without week-end respite. Meanwhile an agreement was reached by the British Employers' Confederation and the Trades Union Congress that there should be no stoppage of work owing to trade disputes, and that disputes which could not be settled by the normal machinery of collective bargaining should be referred for decision to a National Arbitration Tribunal.

By the end of September, a remarkable change had taken place. France had been lost and the threat of invasion remained. But the coastal defences of Great Britain were greatly strengthened; a voluntary Home Guard, with nearly a million and a half members, had been recruited<sup>1</sup>; strides had been taken towards replacing the military equipment left behind in France and the aircraft lost in battle; and a series of mass aerial attacks by day on the South-East of England had been defeated. By this time,

<sup>1</sup> On 20 October, Sir Edward Grigg, Under-Secretary for War, announced that the Home Guard now numbered 1,700,000.

however, heavy night raids on London had begun, and these had given rise to a new set of industrial and administrative problems. Meanwhile the effects of the fatigue produced by the long hours worked during the summer months were beginning to be reflected in flagging output. And public criticism of some aspects of the Government's policy showed that the "honeymoon" period of the new administration was over. Mr. Churchill decided that the time had come for ministerial changes, and a reshuffle of appointments was begun on 3 October. Among other changes, Sir Andrew Duncan replaced Mr. Herbert Morrison as Minister of Supply, and Mr. Morrison succeeded Sir John Anderson at the Ministry of Home Security.

The month of October was dominated by the problems raised by the intensive night bombing of London. The evacuation of mothers and children, invalids, and old people, to the safer countryside, and the safety and welfare of the population of London, were the chief preoccupations of the Ministers of Health and Home Security. The maintenance of output and the protection of industrial workers during air raids were matters of grave concern at the Ministry of Supply and at the Ministry of Labour and National Service. On the other hand, there was some cause for general satisfaction that the threat of invasion seemed to have been removed for the winter months. The mood of the country was still grim, and there was some disposition to criticise Ministers for their failure to use the powers with which they had been endowed. The view of some commentators that the Emergency Powers Act had abrogated civil liberty in Great Britain was scarcely justified by the facts. Certainly neither Mr. Bevin nor Mr. Morrison could be accused of excessive zeal in the exercise of compulsion in respect of persons or property. And the fact that some 101 minor industrial disputes, involving the loss of 87,000 working days, took place during the month of October<sup>1</sup> must be taken into account by those who assume that the Emergency Powers Act and the creation of the National Arbitration Tribunal have had the result of eliminating industrial stoppages.

### THE MACHINERY OF CONTROL

The first important domestic measure introduced by the new Government was the Emergency Powers (Defence) Act, 1940, which has already been described. It was followed up by an overhaul of the machinery of Government control of economic and social affairs. On 4 June Mr.

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<sup>1</sup> In October 1939, there were 90 disputes, involving the loss of 102,000 working days; but see the comparative figures for the whole period May-October 1939 and May-October 1940 given on page 38.

Attlee announced<sup>1</sup> that the Cabinet direction of these questions was to be in the hands of five Ministerial bodies:

(1) *The Production Council* (under the chairmanship of Mr. Arthur Greenwood, Minister without Portfolio, and including the Service Ministers, the Minister of Labour and National Service, the Minister of Supply, and the President of the Board of Trade) would exercise general control over the Government's production programme;

(2) *The Economic Policy Committee* (also under the chairmanship of Mr. Greenwood) would concert and direct general economic policy;

(3) *The Food Policy Committee* (under the chairmanship of Mr. C. R. Attlee) would be responsible for food production and food supplies;

(4) *The Home Policy Committee* (also under the chairmanship of Mr. Attlee) would be in charge of "Home Front" questions and social policy; and

(5) *The Civil Defence Committee* (under the chairmanship of the Minister of Home Security) would be responsible for every aspect of civil defence.

To co-ordinate these five committees there was to be another Cabinet Committee, under the chairmanship of Mr. Neville Chamberlain (later replaced by Sir John Anderson), including Mr. Attlee, Mr. Greenwood, and Sir Kingsley Wood (Chancellor of the Exchequer). An official research organisation, described as the Survey of Economic and Financial Plans, which had been working for some months under the chairmanship of Lord Stamp, would be at the disposal of the Ministerial Committees and would prepare digests and reports.

Important changes also took place in the Departments. The organisation of the Ministry of Supply was overhauled, and the twelve Area Boards, which had been set up by Mr. Burgin, the former Minister<sup>2</sup>, for the better co-ordination of official action in each area and for the settlement of local difficulties concerning production and contract priorities, were reconstituted. Henceforth they were to include three representatives of employers and three representatives of trade unions, in addition to the official area representatives of the Ministries of Labour, Supply, and Aircraft Production, the Admiralty, and the Board of Trade. When these changes were announced in the House of Commons on 24 July it was stated<sup>3</sup> that the official members of the Area Boards would continue to be responsible

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<sup>1</sup> *Parliamentary Debates, House of Commons*, 4 June 1940.

<sup>2</sup> Mr. Burgin announced in the House of Commons on 8 May that the 12 Area Boards had at length been set up.

<sup>3</sup> The announcement was made by Mr. Harold Macmillan, Parliamentary Secretary to the Ministry of Supply and Chairman of the Industrial Capacity Committee.

to their own Departments, but that the Area Boards in their corporate capacity would be responsible directly to the Industrial Capacity Committee of the Production Council. Meanwhile several important changes were made in the higher personnel of the Ministry of Supply and the various "controls" associated with it. A Tank Board was established to intensify production in a section of the war effort which had been shown in the Battle of France to be seriously deficient. And the pressing demand for cement and other building materials for military and civil defence works and the Government's building programme made it necessary to bring building materials under official control in October.<sup>1</sup> A further step was taken early in October when a *Ministry of Works and Buildings* was established, with Lord Reith (then Sir John Reith, Minister of Transport) as Minister. This Ministry was made responsible for the erection of all new civil works and buildings required by Government Departments<sup>2</sup> (except those of a specialised character carried out for the Service Departments). It was made the licensing authority for all private building and was also given the task of deciding the priority of repairs to buildings damaged in air raids. The Minister has become a member of the Production Council. He is also to report to the Cabinet upon the measures necessary for reconstructing town and country after the war.<sup>3</sup>

The crying need for more aeroplanes led to the creation of a separate *Ministry of Aircraft Production*, under the leadership of Lord Beaverbrook, when the new Government was formed. Hard work and shock tactics appear to have led to an astonishing increase in output. It must be recorded, however, that the vigour with which the claims of aircraft production for priority over all other forms of industrial effort have been championed has not been without its embarrassments for concerns engaged on other work of first importance.

In addition to the developments which have been described above, many other new administrative arrangements were made during the summer and autumn. The arrangements made for the regulation of labour supply and the control of employment will be described in a later section. The difficulties of the coal industry since the loss of its European markets have been grappled with by the Coal Production Council, a representative body of coalowners, trade unionists, and coal consumers, which was set up by Mr. Chamberlain's Government<sup>4</sup>, but which has since been supplemented

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<sup>1</sup> *Ministry of Labour Gazette*, October 1940, p. 264.

<sup>2</sup> The new Ministry absorbed the Office of Works, which was previously responsible for all Government buildings.

<sup>3</sup> Statement by Mr. C. R. Attlee in the House of Commons, 24 October 1940.

<sup>4</sup> 5 April 1940.

by a system of regional councils of the same type. New arrangements have been made by the Ministry of Food for the organisation of communal feeding and by the Ministry of Health for the welfare of homeless victims of air raids in London and elsewhere. And the Unemployment Assistance Board, whose functions were extended at the outbreak of war to include the prevention and relief of distress due to war conditions, became responsible for the administration of supplementary old-age pensions on 1 July, taking the shorter title Assistance Board as an indication of its wider functions.

## ECONOMIC POLICY

The major objectives of British economic policy were not affected by the change of Government or by the military events of the early summer, though new stimuli were given to their more effective pursuit and some revision of industrial priorities took place. The task was seen even more plainly to be that of mobilising all the man-power and material resources of the nation for the purpose of waging war, and it was recognised that this implied a large-scale diversion of resources from the production of goods and services for civilian use to the production of the trained men and equipment needed for successful military operations. The positive part of this task was undertaken by the Service Ministries and the Ministries of Supply, Aircraft Production, and Labour, co-ordinated by the new Production Council. Negatively, the Treasury, the Board of Trade, and the Ministry of Supply "Controllers", play an important part by restricting civilian consumption and releasing man-power, capital, equipment, and raw materials, for use in the war sector.

Reference has already been made to some developments in the scope and machinery of economic control under the new Government and to the measures adopted to increase war production. Further restriction of civilian consumption was sought chiefly by means of (1) increased taxation, (2) encouraging voluntary savings, and (3) the limitation of supplies.

On 29 May the Finance Bill, which was introduced by Sir Kingsley Wood, made provision for considerably increased taxation, including an increase in Excess Profits Duty to 100 per cent; higher rates of income tax (tapping lower levels of income) and postage dues; and the introduction of a Purchase Tax. A supplementary budget introduced on 24 July imposed further increases in direct taxation and made provision for the deduction of income tax at source by employers for the whole range of salary and wage earners. Duties on beer, tobacco, wines, and entertainments, were also increased. On the other hand the Purchase Tax was modified. The flat rate "ad valorem" duty was abandoned, and two distinct rates

were introduced—one for luxuries, another for conventional necessities. The rate on luxuries was 33½ per cent. wholesale or 24 per cent. retail. The rate on other goods was 16⅔ per cent. wholesale or 12 per cent. retail. All food, children's clothing, and footwear, and, as a result of Parliamentary pressure, books and periodicals, were exempt.

The new Government continued to rely on the voluntary savings movement and showed no greater disposition than its predecessor to adopt a policy of compulsory borrowing for war purposes. By the end of the first year of the war, savings over £475 million were raised by voluntary means, a small proportion being loans without interest. Increased awareness of the vital importance of fighter aircraft led to another interesting financial development during the summer. Lord Beaverbrook has disclosed that voluntary subscriptions to "Spitfire" and other similar funds have yielded sums sufficient to cover the cost of making good all aircraft losses in action since heavy air attacks on Britain began.

The most direct way of restricting civilian consumption has been the legal limitation of supplies of a wide range of goods. The Limitation of Supplies Order issued by the Board of Trade on 6 June<sup>1</sup>, lists nearly 2,000 articles including hosiery, pottery, glassware, cutlery, hollowware, furniture, clothing, toilet preparations, and jewelry, the supply of which was to be reduced by a third. In addition the Ministries of Supply, Food, and Shipping, have been indirectly responsible for considerable reductions in civilian consumption. The Ministry of Supply is concerned to allocate raw materials in such a way as to favour factories producing on behalf of the armed forces. Thus steel for private building is prohibited. The Ministry of Food has effected a considerable reduction in the consumption of foods by the regulation of supplies and rationing. The Ministry of Shipping is in a powerful position to control consumption because shipping promises to be a prime economic bottleneck.

The place of exports in the British war economy has changed considerably during the period under review. Early in the year, many British export industries were working full time to supply the needs of European countries with which trade channels were still open, and to sell goods in exchange for essential imports from America and elsewhere. The subsequent blockade of Europe cut off many of these industries from what had been their most flourishing markets, and led to both a contraction and a change of direction in British exports. The coal industry suffered particularly from these developments, and considerable increases in unemployment took place in the exporting coalfields of Durham and South Wales. The textile industries have suffered almost as seriously as the coal industry, but

<sup>1</sup> Limitation of Supplies (Miscellaneous) Order, 1940 (S. R. and O., 1940, No. 784).

here shortage of raw materials has been a contributory factor. On the other hand, there has been an expansion of exports to the British Dominions and America, and it is hoped that the despatch to South America of an economic mission, under the leadership of Lord Willingdon, will result in an increase in trade with the various South American States.

## THE REGULATION OF LABOUR SUPPLY

The mobilisation of the nation's man-power for the Armed Forces and for the war industries has been the main task of the Ministry of Labour and National Service since the outbreak of war. Thus the Ministry has been responsible for the registration of men called up for national service, the application of the Schedule of Reserved Occupations, the "combing out" of skilled men in the Armed Forces who are urgently needed in industry, regulating the distribution of labour between different occupations according to wartime priorities, improving the transfer and billeting of workers needed on jobs at a distance from their homes, and the organisation of industrial training, as well as for the day-to-day work of the employment exchanges. An interesting development during the summer has been the creation of an International Labour Branch of the Ministry for the purpose of organising the man-power of the Allied nations and "well-disposed persons of foreign nationality" in Great Britain.

### Registration of Men for the Armed Forces

During the period under review over two million men between the ages of 27 and 33 years were registered for military service. One age group was registered in May; two age groups in June; and four in July. The six registrations in June and July were a direct result of the military events in France. The actual calling up of those classes was spread over several months, and it is significant that no further registrations took place until November. Political events determined the rate of registration, but limited training facilities and equipment were the bottlenecks which governed the rate of absorption into the Armed Forces. The numbers registering in May, June, and July, are shown below:

## NATIONAL SERVICE REGISTRATIONS

Date	Age group	Numbers registering	Percentage of conscientious objectors
May 25	27	326,259	1.057
June 15	28	292,025	0.77
June 22	29	322,597	0.69
July 6	30	310,688	0.57
July 13	31	322,597	0.31
July 20	32	312,641	0.50
July 27	22	340,840	0.52

It is interesting to observe the decline in the percentage of men registering as "conscientious objectors" during this period.

### The Schedule of Reserved Occupations

Although more than two million men were registered under the National Service (Armed Forces) Act during the summer, a considerable proportion of them were exempted from military service because they were engaged in work which was included in the Schedule of Reserved Occupations.<sup>1</sup>

The object of the Schedule is to ensure that the nation's man-power is properly distributed between the Armed Forces, the Civil Defence Services, and other essential services and industry, according to their respective needs.

In the early stages of the war of 1914-1918 failure to observe the principle of "selective recruitment" for the Armed Forces seriously hindered the British war effort. Large numbers of skilled men were allowed to volunteer for service who had later to be recalled to their civilian occupations. This lesson has not been forgotten. In the present war the highest possible rate of production of munitions and equipment has to be secured, and the man-power problem is further complicated by the necessity of recruiting and equipping large numbers of men and women for the Civil Defence Services.

The first Schedule of Reserved Occupations was published in January 1939, at the date of the opening of the National Service Campaign.

<sup>1</sup> Inclusion of an occupation in the Schedule does not *ipso facto* grant exemption from military service. The powers of the Minister of Labour and National Service under the National Service (Armed Forces) Act, 1939, are permissive. He may cause an enlistment notice to be served on any person liable to be called up, and whether he does so or not is decided on the basis of the Schedule.



Until the outbreak of war the Schedule imposed no restriction upon persons joining any branch of service in their trade or professional capacity; the restrictions applied only to service outside a volunteer's trade or professional capacity which would involve whole-time duty in time of war. A wartime Schedule came into operation on the outbreak of war to meet the position created by the introduction of compulsory military service, and afforded a greater measure of reservation than the original Schedule. The Schedule is constantly under review and is amended from time to time in the light of the varying man-power needs of national defence and industry. Amendments are made under the authority of the Minister of Labour and National Service, generally as the result of recommendations by a Committee on which the Service and Supply Departments are represented and the meetings of which are also attended by representatives of other Government Departments concerned. A new Schedule was issued in a revised edition, containing all the amendments made up to that date, in May 1940, and a later supplement set out the changes made up to 31 August.

As a result of the changes made during the spring and summer several thousands of men who had previously been reserved were released for military service. They included a large number of clerical workers, teachers, and professional men, whose age of reservation was raised from 25 to 30 years. On the other hand, a considerable number of occupations which were previously reserved only from the age of 35 years were reserved from 30 owing to the importance of the work involved. Thus the reservation of the managerial and supervisory grades in the retail food trades has been extended in view of the heavy burden imposed by the rationing system on the personnel of these trades.

### **“Combing Out” Skilled Men from the Forces**

As the Schedule of Reserved Occupations did not come into force until January 1939 and was not retrospective in effect, many men in reserved occupations had already joined the Forces, and especially the Territorial Army. Arrangements have since been made for releasing to industry as many men belonging to occupations of the greatest importance for essential production as can be spared. The Minister of Labour and National Service stated in the House of Commons on 8 August that large numbers of skilled men had been released from the Forces for return to the engineering factories. In July the total had risen to over 30,000. He added, however, that the release was only provisional and that, with the growing needs of an expanding mechanised army, many of these men might have to go back at a later date.

### Regulating the Distribution of Civilian Labour

One of the first steps taken by Mr. Ernest Bevin, when he became Minister of Labour and National Service, was to set up a Labour Supply Board, under his own chairmanship and including four Directors of Labour Supply, of whom two represent the trade union movement. The task of the Labour Supply Board was to ensure the fullest use of the civilian manpower in the country. The Ministry of Labour also took a more active part in the Area Board machinery, which later became a responsibility of the Industrial Capacity Committee of the Production Council, and in each important area a local Labour Supply Committee was set up. Local Labour Supply Committees work in close conjunction with the Employment Exchange and consist of a Chief Labour Officer, the Exchange Manager, and two specially appointed Labour Supply Officers drawn from persons with practical working knowledge of industry and industrial conditions. Local Panels for particular industries have also been appointed to work in association with the Local Committees.

The duty of inspecting firms to ensure that skilled labour is used to the best advantage and that all necessary training facilities are provided is entrusted to Inspectors of Labour Supply, who work in close association with the Area Boards and the Labour Supply Committees.<sup>1</sup> These Inspectors are sent to investigate cases in which there is an alleged delay due to shortage of labour, and to recommend what steps should be taken to supply additional labour, to ensure the more effective use of the existing labour, or to call attention to the need for better organisation of the supply of materials.<sup>2</sup>

It is worthy of remark that on 28 June the Minister had appointed Sir William Beveridge as Commissioner to survey the available resources of man-power of all kinds and to report upon them with suggestions as to the means by which they could be fully utilised for national purposes. The survey was to cover man-power in all forms—men, women, and young persons, whether in or out of employment.<sup>3</sup>

The first Order made by the Minister under the Emergency Powers (Defence) Regulations came into force on 10 June. It provided that workers in the building industry, the civil engineering contracting industry, and general engineering, should be engaged only through an employment exchange or under an arrangement made between employers' organisations and trade unions. Men employed in coal mining or agriculture, including

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<sup>1</sup> *Ministry of Labour Gazette*, June 1940, p. 156.

<sup>2</sup> *Parliamentary Secretary to the Minister of Labour*, House of Commons, 22 August 1940.

<sup>3</sup> *Ministry of Labour Gazette*, July 1940, p. 187.

forestry and horticulture, were in general only to be engaged for work in those industries.<sup>1</sup> Subsequent Orders provided for the registration of "specified classes of persons" with a knowledge of the higher branches of engineering and with academic and practical qualifications in chemistry.<sup>2</sup>

On 7 August the Minister made an Industrial Registration Order. Its purpose was to provide a register of all men in certain skilled occupations (mainly engineering) who were not known to be wholly engaged on Government work. The Order applied to all males above the age of 21 years engaged in all the specified occupations and to all males under 65 years of age who had been engaged in those occupations for twelve months at any time since January 1929.<sup>3</sup>

### The Transference of Labour

Before the war, the Ministry of Labour played an important part in facilitating the movement of workers from jobs in one part of the country to jobs elsewhere by means of the nation-wide Employment Exchange system and the central clearing house in London. In the case of the unemployed living in distressed areas, considerable financial aid was given to industrial transferees and special attention was paid to the welfare aspects of transference and resettlement. Since the outbreak of war the transference has become a matter of even greater importance. Changes in the location of industry and in the character of industrial activity have called for considerable changes in the distribution of the employed population. The Ministry has had to tackle the problem of inducing employed as well as unemployed workers to move to other parts of the country.

Workers transferred by the Ministry of Labour to new areas to undertake work of national importance are entitled to the payment of lodging allowances and travelling expenses if the work is in an area beyond travelling distance from their homes.

Lodging allowances at the rate of 3s. 6d. a night (including Sunday) are paid to a married worker (or an unmarried worker with similar responsibilities) who continues to maintain a home in the town from which he has been transferred, provided that the employer to whom he is transferred does not pay lodging or similar allowances under customary practice or industrial agreement.<sup>4</sup> For travelling, the transferred worker receives the fare for the initial journey to the place of work and 5s. travelling time for the journey, if it does not take more than four hours, or 10s. if it takes

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<sup>1</sup> *Ministry of Labour Gazette*, June 1940, p. 181.

<sup>2</sup> *Ibid.*, August 1940, p. 212.

<sup>3</sup> *Ibid.*, p. 236. Explanatory Memorandum to the Order.

<sup>4</sup> *Ibid.*, June 1940, p. 156.

longer than four hours. No payments are made for daily travelling to and from work. This scheme does not apply where it is the practice, by custom or agreement, for the employer to make these payments. If the employer pays the fare, but not for travelling time, the travelling time allowance is paid by the Government. The scheme does not apply to transferred dockers or building and civil engineering workers, for whom special arrangements have been made.<sup>1</sup> During the summer several new arrangements were worked out in connection with particular industries. In June an agreement between the employers and workers in the cotton industry set up area committees to arrange the transfer of operatives to mills adapted for Government work.<sup>2</sup>

Arrangements were made for the transfer of surplus coal miners after the collapse of the European export market. In September a scheme was drawn up for the transfer of shipyard workers, in agreement with the employers' and workers' organisations. It provides for the transfer, on a voluntary basis, of shipbuilding workers from one district to another to assist in the urgent completion of new ships or ships under repair. Local Committees, on which the local employers and trade unions are represented, have been set up in shipbuilding districts to call for volunteers willing to travel at short notice to another part of the country. The lodging and travelling allowances are the same as for other transferred workers. Men transferred under this scheme are normally required to stay in the district for as long as they are needed, but applications to return home are considered by the local Committee, and if they are approved the cost of the fare home and travelling time are paid. Transferees are immediately put into touch with suitable lodgings or other accommodation on their arrival in the new area.<sup>3</sup> The Industrial Welfare Officers appointed by the Minister of Labour during the summer are responsible for seeing that all workers engaged on important national duties at a distance from their homes have proper billets.<sup>4</sup> No information regarding the numbers of workers in any industry who have been transferred to districts at a distance from their homes has been revealed.

### Industrial Training

The development of the war supply industries created a steadily increasing demand for certain types of skilled workers—particularly engin-

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<sup>1</sup> *Ministry of Labour Gazette*, July 1940, p. 187.

<sup>2</sup> *The Times*, 18 June 1940.

<sup>3</sup> *Ministry of Labour Gazette*, October 1940, p. 264.

<sup>4</sup> See page 32 below.

eers. To meet this demand the Ministry asked employers to undertake the training of promising workers and made its own contribution by turning the Government training centres, used before the war for training the unemployed, into schools for producing armament and munition workers. After the change of Government in May, steps were taken to develop the Government training centres and employers were again asked to co-operate by training men in their own workshops.

The trades now taught in the centres are: draughtsmanship, fitting, instrument making, machine operating, panel beating and sheet metal working, and electrical and oxy-welding. The field of requirements has been widened, and older men who have hitherto been unemployed have been given a chance of acquiring a trade. Some months after the outbreak of war the centres were thrown open to men in employment, and since that time a man has been able to give up his job, provided it is one not essential to the war effort, in order to train himself for armament work and so pass into industry. The invitation to men employed in unessential jobs to change over to engineering work met with a very large response, and nearly half the men in the centres in October 1940 were men who came to training from employment. Recently boys of 16 and 17 years of age have been admitted to training. The centres consist of big training workshops run on factory lines. The training is chiefly practical.

All men in training are eligible for a training allowance. A man of 21 years of age or over who lives in the centre gets his board and lodging paid for and a personal allowance of 8s. a week. If he is married and has a wife dependent on him, he gets an additional 30s. for her as well as a children's allowance, if appropriate, at the rate of 4s. for each of the first two dependent children and 3s. for each further dependent child. A young man of 18 to 20 years of age who lives in lodgings gets a personal allowance of 6s. a week in addition to his lodging expenses and a similar allowance for his dependants. A man of 21 years of age or over who lives at home while training gets 26s. himself and 15s. for adult dependants. The children's allowances are the same as in the case of the trainee who is living in lodgings. The allowances for boys of 16 and 17 years of age are slightly lower.<sup>1</sup>

In the House of Commons on 8 August, the Minister of Labour and National Service stated that the number of centres had been increased to 19 and their capacity greatly extended. He had set himself as a goal a total of 40 centres. The present centres were being put on a full treble shift and as soon as the instructors and necessary staff were obtained the

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<sup>1</sup> *Ministry of Labour Gazette*, June 1940, p. 158; *Industrial Welfare*, October 1940, p. 306. (These allowances were increased in November 1940.)

annual rate of output from them should exceed 100,000 trainees a year. This number could be greatly increased if the goal of 40 centres could be achieved. The Minister also stated that a scheme of short courses of training through the technical colleges had been initiated. He hoped that these colleges would produce at the rate of not less than 50,000 a year.<sup>1</sup> In addition to the technical colleges and the Government training centres, training by employers in their own factories was to be organised on a considerable scale and industrial establishments which could not be used for essential work were to be employed for training.

The training which is now being given involves the instruction of persons who have no knowledge of engineering and the provision of upgrading courses for workers who have already a certain degree of skill.<sup>2</sup> In these establishments the employer or the local authority, as the case may be, provides the equipment and instructors and the Ministry pays for them on the basis of so much per student-hour. Some of the new establishments provide for the training of women as well as men. An agreement has been reached between the Engineering Employers' Federation and the Amalgamated Engineers' Union to allow men and women to be trained on the bench, provided that the allowances given are not greater than those given at the training centres and provided that the man, when trained, does not remain in the factory where he has received his training.

The expansion of training facilities was expected in October to enable the Government centres alone to produce well over 250,000 trained men a year. This means that a very large number of recruits are wanted.<sup>3</sup> It was stated at the beginning of November that the flow of recruits had been more than sufficient, but that recently the numbers of volunteers had fallen off considerably and that in addition large numbers of men and women would be required for the training programmes at the technical colleges and in the employers' own establishments.<sup>4</sup> Some 700 or 800 trainees were being placed a week.

### Foreign Workers

The Minister of Labour and National Service announced in the House of Commons on 1 August 1940<sup>5</sup> that he had decided to set up an International Labour Branch, to organise the man-power of Allied nations and of other "well-disposed persons of foreign nationality" in Great

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<sup>1</sup> *Ministry of Labour Gazette*, August 1940, p. 212.

<sup>2</sup> *Ibid.*, September 1940, p. 240.

<sup>3</sup> *Industrial Welfare*, October 1940, p. 307.

<sup>4</sup> Press Communiqué, Ministry of Labour and National Service, 14 November 1940.

<sup>5</sup> *Ministry of Labour Gazette*, August 1940, p. 212.

Britain. The functions of the Branch, he said, would be to obtain full knowledge of the persons available for employment and to seek suitable openings for them in industrial or other work. The co-operation of the Allied Governments and other national authorities in Great Britain would be sought. The personnel concerned would be known as the "International Labour Force".

The numbers of foreign workers covered by this scheme are roughly estimated at 23,000 Belgians, 10,000 Poles, 8,000 Czechs, and 2,000 Norwegians. These figures do not include seamen, except in those cases where a seaman or fisherman has to be found shore employment, when for any special reason he is unable to pursue his own calling.

In August 780 persons of foreign nationality were placed in employment through the International Labour Branch.<sup>1</sup> An endeavour is being made to work out, in agreement with all the Governments concerned, a uniform scheme of military and civilian work obligations, and a schedule of reserved occupations is to be prepared. The foreign Governments at present established in Great Britain have, of course, no means of enforcing obligations on their nationals. Legislation will therefore be necessary to invest them in Great Britain with the powers that they require.

So far as possible, foreign workers are placed in employment in national groups, largely with the object of preventing the feeling of isolation which foreign workers placed separately would experience, owing to language and other difficulties. No special welfare measures for foreign workers have yet been introduced, but it is hoped in time to provide them with their own welfare officers. All the British social services are open to foreign workers on exactly the same terms as to British workers. Compensation for loss of property from enemy action, for instance, is paid in the same manner as to British subjects, and foreigners enjoy the same rights as regards the evacuation of their families from dangerous areas.

For foreign professional workers a special central register has been opened, similar to the Ministry of Labour and National Service's central register for British subjects, and a Central Register Committee has also been appointed. The register now contains about 4,000 names. In addition, an Advisory Committee on foreign workers has been set up. It consists of representatives of supply and contracting Departments and two representatives each from the British Employers' Confederation and the Trades Union Congress. Foreign workers therefore are not directly represented on this Committee. But the Trades Union Congress has been asked to undertake the formation of a Committee of representatives of foreign trade union sec-

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<sup>1</sup> *Labour*, November 1940, p. 669.

tions affiliated to the International Federation of Trade Unions. This Committee will advise the Trades Union Congress, and in particular its representatives on the Advisory Committee, on all matters relating to foreign workers. Mention should also be made of the formation in Great Britain of a Central Union of Allied Workers. Its membership includes Belgian, French, Polish and Dutch workers.

## EMPLOYMENT AND UNEMPLOYMENT

The extent to which the Ministry of Labour and National Service has succeeded in carrying out its major function of mobilising the civilian man-power of the nation would, under normal conditions, have been reflected to some extent in the annual return, based on the count taken in June, of the distribution of the insured population—employed and unemployed. For obvious reasons this return is not available this year, and there is no basis, apart from mere conjecture, for any estimate of the trend of employment in Great Britain. In June 1939, there were 13,774,000 insured workers in employment, of whom 4,101,000 were women and girls.<sup>1</sup> There were also some 1,350,000 registered unemployed. Since then considerably more than a million insured men must have been absorbed in the Armed Forces. On the other hand, a great many women, and some men, not normally in the labour market have taken insured employment. And the number of persons registered as unemployed has several times fallen below the 800,000 mark. Of the occupational distribution of the employed population since the outbreak of war nothing can be said. Statistics of unemployment were published as usual until August, when some details, including the occupational distribution of the unemployed, began to be withheld for reasons of security.

### The Trend of Unemployment

At the beginning of the war there were approximately a million and a third unemployed. The situation grew worse during the winter, and no real improvement was recorded until March 1940. By the middle of April the total had fallen to approximately 972,000, the lowest total for 20 years. The official figures for each month in the period under review are set out below.

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<sup>1</sup> *Ministry of Labour Gazette*, January 1940.



UNEMPLOYMENT IN GREAT BRITAIN<sup>1</sup>*(Unemployed persons on registers of Employment Exchanges)*

Date	Wholly unemployed (including casuals)	Temporarily stopped	Total	Increase or decrease from previous month	Increase or decrease from 1939 figure
15 Apr.-20 May	778,092	102,730	880,822	— 91,873	— 611,460
20 May-17 June	685,455	81,380	766,835	— 113,987	— 582,744
17 June-15 July	674,024	153,242	827,266	+ 60,431	— 429,158
15 July-12 Aug.	645,072	154,380	799,452	— 27,814	— 432,240
12 Aug.-16 Sept.	644,846	185,000	829,846	+ 30,394	— 501,082
16 Sept.-14 Oct.	663,769	171,082	834,851	+ 5,005	— 595,787

<sup>1</sup>The following changes have been made in the basis of the official unemployment statistics:

(1) Up to and including the figures for unemployment in August 1940, unemployed casual workers were shown by the *Ministry of Labour Gazette* in the figure for wholly unemployed persons. In the figures for September and October wholly unemployed persons and unemployed casual workers are shown separately. In the table above, they have been added together to facilitate comparison.

(2) From July onward, the figures exclude men attending Government training centres (7,794 on 15 July) who were unemployed when they entered the centres.

(3) From July onward, the figures exclude women aged 60 to 64 years (owing to the change in the age for drawing old-age pensions).

The reduction recorded in April-May (91,873 less than the previous month) was not an adequate measure of the changes in employment in the industries engaged upon war work. In addition to the unemployed persons absorbed into those industries there was a steady flow of transfer to them from less essential industries, which was not reflected in the total number of unemployed persons.<sup>1</sup> In the following month there was a greater reduction (113,987), which affected most of the principal industries. Unemployment increased, however, in the tailoring, dressmaking and millinery, and linen industries.<sup>2</sup> In June-July unemployment increased by over 60,000. The increase was mainly in the coal-mining industry, where there were temporary stoppages in a few areas, and in the textile, clothing, boot and shoe, leather and furniture industries. There was a further reduction in unemployment in building and public works contracting and in the distribution trades.<sup>3</sup>

The recorded fall in unemployment in July-August (27,814) did not give a true picture of the situation. There was in fact a reduction of nearly 50,000 in the numbers of men and women registered as unemployed, but the numbers of boys and girls rose by nearly 22,000,

<sup>1</sup> *Ministry of Labour Gazette*, June 1940, p. 155.

<sup>2</sup> *Ibid.*, July 1940, p. 183.

<sup>3</sup> *Ibid.*, August 1940, p. 209.

owing mainly to the registration of juveniles who had reached school-leaving age at the end of the summer term. The reductions were in the distributive trades, dock and harbour services, building and public works contracting, tailoring and dressmaking, hat and cap manufacture, hotel and boarding house service, the entertainment and sports industries, linen manufacture, and shipping service. Increases were recorded in pottery and earthenware manufacture, the woolleñ and worsted industry, the hosiery industry, and boot and shoe manufacture.<sup>1</sup>

In August-September, the number of persons wholly unemployed remained approximately the same, but there was a rise of 30,000 in persons temporarily stopped. The only industry in which unemployment increased considerably was coal mining.<sup>2</sup> In reply to a question in the House of Commons on 19 September the Minister of Labour and National Service said that the collapse of France had radically altered the position of coal miners in the exporting fields. Steps had already been taken to modify the application of the Order prohibiting miners from leaving the industry and causing unemployed miners to return to it, and unemployed miners were being released to join other industries.<sup>3</sup> In September-October there was a very slight increase (5,005) in unemployment. An increase in wholly unemployed women (by 31,203) was largely due to the registration at employment exchanges of considerable numbers who were seeking work in districts to which they had been evacuated.<sup>4</sup>

On 14 October the composition of the total of unemployed persons in Great Britain was as follows:

	Wholly unemployed	Temporarily stopped	Unemployed casual workers	Total
Men	309,357	92,886	26,898	429,141
Boys	24,579	2,739	131	27,449
Women	257,300	71,593	1,299	330,192
Girls	44,195	3,864	10	48,069
	<hr/> 635,431	<hr/> 171,082	<hr/> 28,338	<hr/> 834,851

It will be seen that nearly half of the total number of unemployed was made up of women and girls. Figures showing the duration of employment are no longer available, but a special analysis of the duration of unemployment of registered persons on 25 November shows that out of

<sup>1</sup> *Ministry of Labour Gazette*, September 1940, p. 239

<sup>2</sup> *Ibid.*, October 1940, p. 259.

<sup>3</sup> *Parliamentary Debates, House of Commons*, 19 September 1940.

<sup>4</sup> *Ministry of Labour Gazette*, November 1940, p. 286.

a total of 359,000 men. 154,000 (or nearly 43 per cent) had been on the register for less than two weeks and 191,000 (or over 53 per cent.) for less than four weeks. As compared with 20 May last, the number who had been on the register for 12 months or more was nearly halved, totalling 54,000, of whom three-quarters were aged 50 years or over.<sup>1</sup>

The Minister of Labour stated on 11 October that a survey of 300,000 unemployed persons had been followed up, and this had led to the placing of 200,00 of them.<sup>2</sup>

## WAGES AND EARNINGS

In the aggregate wages increased every month during the period under review. The greatest increase was in June, but there were also considerable increases in May, July, and August. The few cases of wage decreases affected only small numbers of workers and were slight in amount. The table on the following page shows the approximate number of workers affected by wage increases and decreases and the estimated amount of changes in weekly wages caused by them.<sup>3</sup>

The changes so far reported for ten complete months of 1940, in the industries for which statistics are available, are estimated to have resulted in a net increase in weekly wages of £1,920,800 for about 7,795,300 workpeople. The corresponding figures for 1939 were increases of £305,300 for about 2,128,000 workpeople and decreases of £56,450 for about 331,500 workpeople.<sup>4</sup>

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<sup>1</sup> *Manchester Guardian*, 11 December 1940.

<sup>2</sup> *The Times*, 12 October 1940.

<sup>3</sup> *Ministry of Labour Gazette*, June-November 1940.

<sup>4</sup> *Ibid.*

## INCREASES AND DECREASES IN WAGES, MAY-OCTOBER 1940

Industry group	Month	Approximate number of workpeople affected by		Estimated amount of change in weekly wages	
		Increase	Decrease	Increase	Decrease
				£	£
Mining and quarrying	May	229,300	218,200	12,800	8,300
	June	446,800	90,000	21,400	600
	July	272,600	303,200	12,200	8,600
	August	251,700	190,200	6,900	12,950
	September	267,400	142,400	12,600	2,200
	October	808,100		82,100	
Engineering and metal	May	119,700	70,000	14,450	1,360
	June	282,700		31,500	
	July	192,200		8,800	
	August	205,100		22,900	
	September	11,000	158,200	1,500	6,200
	October	153,500		6,000	
Textile	May	139,900	2,000	12,800	80
	July	442,200		31,800	
	October	380,800		19,300	
Building and contracting	June	632,000		59,000	
	October	274,400		25,800	
Transport	June	389,700		56,000	
Clothing	July	291,900		38,500	
	September	175,000		17,500	
Paper, printing, etc.	August	250,000		45,700	
Other industries	May	506,200	300	75,250	10
	June	412,500		46,900	
	July	592,100		81,700	
	August	353,400	400	44,200	50
	September	241,900	41,500	26,700	2,300
	October	207,800		16,400	

### Real Wages

While many earnings increased appreciably during the period under review the cost of living also rose. The Trades Union Congress Index Numbers (1925-29=100) give the following comparative figures:

Beginning of	Money wages	Real wages for workers in full employment	Real wages taking account of unemployment
<i>1939</i>			
September	104.0	113.5	116.0
<i>1940</i>			
April	113.0	107.5	111.0
May	115.0	108.0	113.0
June	115.0	107.5	113.0
July	119.0	107.5	114.5
August	118.5	108.0	114.0
September	119.0	107.5	114.0
October	120.0	105.5	Not available

It will be seen that, although there was a marked increase in money wages, real wages fell slightly.

### Wages in the Principal Industry Groups

The first results of a Ministry of Labour enquiry into average weekly earnings at July 1940, which have recently been published<sup>1</sup>, throw some light on earnings in some important industries. The enquiry covered about 61,000 establishments and more than 5½ million work-people. The results so far published deal with metal, engineering and shipbuilding industries; textile industries; clothing industries; food, drink and tobacco industries; woodworking industries; paper, printing etc. industries; and building and contracting.

The following table summarises the percentage increases in average weekly earnings between October 1938 and July 1940 for these industry groups.<sup>2</sup> As it was not found practicable to ascertain the working

<sup>1</sup> *Ministry of Labour Gazette*, November 1940, p. 280.

<sup>2</sup> *The Ministry of Labour Gazette*, November 1940, should be referred to for full details.

hours to which these earnings relate it cannot be said to what extent the increases were due to higher wage rates or to overtime.<sup>1</sup>

PERCENTAGE INCREASES IN AVERAGE WAGE EARNINGS,  
OCTOBER 1938 - JULY 1940

Industry group	Men	Youths and boys	Women	Girls
Metal, engineering and shipbuilding industries	36.3	44.9	34.4	32.2
Textile industries	32.6	35.9	25.5	24.5
Clothing industries	11.9	14.1	10.4	13.7
Food, drink, and tobacco industries	16.3	14.5	7.5	10.4
Woodworking industry	16.1	23.8	16.8	13.8
Paper, printing, etc., industries	0.6	11.7	4.4	10.1
Building and contracting, etc.	27.9	44.5	—	—

The contrast between the improvement in earnings in the war supply industries and that in the industries producing mainly for civilian consumption will be remarked when the varying percentage increases are read in conjunction with the amount of the cost-of-living index figure during the same period (an increase of 21 per cent., or 24 per cent. if corrected for seasonal variation). It will be seen that, while in many industries real earnings increased appreciably, in other industries they fell.

### Agricultural Wages

Perhaps the most outstanding non-military event in the social history of Great Britain during the summer of 1940 was the fixing in June by the Agricultural Minimum Wage Board of a national minimum wage for England and Wales of 48s. The award was accepted by 47 out of the 48 Agricultural County Committees, and in the outstanding case (Cornwall) the Board decided that no modification would be justified.<sup>2</sup>

<sup>1</sup> In an account of wage rates and earnings appearing in the *Economic Journal*, June-September 1940, it was shown that there was a general increase of earnings over a wide range of industries of 16 per cent. between March 1939 and March 1940, while the wage-rate index rose only 9 per cent.

<sup>2</sup> *Ministry of Labour Gazette*, June 1940, p. 158.

The far-reaching implications of this "up-grading" of the agricultural worker are as yet scarcely realised. The Board later fixed wages for inexperienced male farm workers at 38s., and for the Women's Land Army, for the first two months of employment, at 28s.<sup>1</sup>

## HOURS OF WORK AND HOLIDAYS

The course of the war in May and June, culminating in the collapse of France and the imminence of invasion, led to a great acceleration of the output of war materials. Although figures of hours of work at this period cannot be quoted — and their length and arrangement necessarily varied widely with the conditions in different industries — all the evidence indicates that exceptionally long hours, amounting sometimes to as much as 80 in the week, were being worked in all industries associated with war production. At the same time holidays and rest periods were either cancelled or drastically curtailed.

Under the Emergency Powers (Defence) Act<sup>2</sup> the Minister of Labour and National Service was given power to determine hours and conditions of work. In practice, however, this power was not exercised and hours of work continued to be fixed by collective agreement, except in the case of women and young persons. In response to the call for a supreme effort in May much longer hours were worked without any compulsion, and when, at the end of the month, the Minister of Labour requested employers and workers to forego all holidays for the time being<sup>3</sup>, he had every reason to be pleased with the result. Mr. Bevin explained that, in order to maintain health and physical efficiency, the Labour Supply Board was considering suggestions for organising methods of giving rest periods; and that advice on this would be issued as soon as possible.

On 13 June, the Parliamentary Secretary to the Ministry of Labour stated in the House of Commons that as far as was humanly possible production must continue at the same high pressure for some time to come. But periodical rest periods for individuals were necessary even on urgent priority work if output was to be maintained at the highest level. Arrangements should therefore be made to provide such rest periods, and they should include the building up as quickly as possible of a scheme which would allow one day's rest periodically for the personnel. The cancel-

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<sup>1</sup> *The Times*, 16 July 1940.

<sup>2</sup> *Ministry of Labour Gazette*, June 1940, p. 156.

<sup>3</sup> *Ibid.*, p. 157.

lation or suspension of complete stoppages for holidays must hold good, not only for holidays extending over several days but also for day holidays such as the August Bank Holiday (the August Bank Holiday was in fact cancelled by an Order of 2 July). Where it was the practice for holidays to be taken in rotation by individuals and thus to be spread over a period of months, it should be considered whether they interfered in any way with urgent war requirements or with other urgent requirements for transport; if they did so, they should not be taken. If they did not, it would be better that they should be taken as arranged. He urged those spending holidays in the country to volunteer for work on the land.<sup>1</sup>

At the end of June the Minister of Labour issued a General Emergency Order, covering works engaged in the manufacture of munitions and shipping, authorising the employment of women and young persons in derogation of the Factories Act, 1937, for longer than the period normally allowed, arranged on one of four specified schemes. Under all these schemes provision was made for a weekly rest of 24 hours and for rest periods during the week.

This Order was to remain in force until 30 September. In July, however, the Minister of Labour decided that the Factories Act should be brought back into full force at the beginning of August and that applications from firms desiring to employ women and young persons for hours not authorised by the Act must be made to the factory inspectors. It was realised that the short period of intensive effort had achieved most of what could be expected of it. The danger now was that decreasing returns would set in as a result of fatigue. The Seventh Report of the Select Committee on National Expenditure<sup>2</sup> recommended that overtime, and especially Sunday work, should be watched carefully, in the interests of maintaining the efficiency of labour and keeping down costs. The inducement of extra wages, the Report stated, and the fact that employers were paid on a cost-plus-profit basis, made both sides unduly willing to carry on the practice. In July the Minister of Labour and National Service published a pamphlet on hours of work and maximum output. It had been prepared in consultation with the British Employers' Confederation and the Trades Union Congress General Council, with the co-operation of the supply Departments concerned.<sup>3</sup>

This pamphlet pointed out that the continuance of seven-day working, with an average working week of between 70 and 80 hours, would quickly cause a rapid decrease in individual productivity. The optimum hours must vary according to the circumstances of different industries,

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<sup>1</sup> *Ministry of Labour Gazette*, June 1940, p. 157.

<sup>2</sup> *The Times*, 17 June 1940.

<sup>3</sup> *Ministry of Labour Gazette*, August 1940, p. 211.



but experience showed that they were materially below the general hours at present being worked on wartime production. The adjustment must however be made so as to prevent any falling-off in output. This could be achieved only by increasing the size of the working force, and that would take time, since the new labour must first be trained. Interim arrangements must therefore be made to relieve the strain on the workers. The pamphlet suggested as an illustration a two-shift system, under which the day shift would have an average working week of 60 hours, while the night shift worked 10½ hours on five nights in the week, with a sixth night fortnightly if production required it.

As soon as the necessary labour force had been acquired and trained, a permanent scheme should be introduced, with the double object of reducing the working week to the optimum hours and increasing man-hours and production per man-hour. Experience in many manufacturing fields, it was stated, showed optimum hours to be about 55 or 56 in the week. The vital importance of granting adequate breaks during the working period was also emphasised. The pamphlet suggested that a 10 minutes' break might be introduced near the middle of the normal working period. In other cases such an arrangement as a break in each hour might be preferable. In a foreword to this pamphlet the Minister said the essential adjustment of hours must be dealt with by firms in accordance with their particular circumstances, and not by a general order.

By the beginning of August it was stated that the Cabinet was satisfied that the equipment lost by the British Expeditionary Force in France had substantially been replaced and that the most urgent needs of home defence had been met. It was therefore considered possible to make some relaxation of the ban on holidays. A confidential letter was circulated on 9 August to all unions affiliated to the Trades Union Congress stating that, though anything in the nature of a general holiday was impossible, the Government desired short periods of rest for relaxation to be given between that date and the end of September. Both sides in the industries concerned were asked to get together and arrange these breaks so that production would not be impeded. There should be no complete stoppage where holidays in rotation could be arranged. There was no objection to a week's rest in non-essential industries. In other cases the problem might be met by a long week-end break.<sup>1</sup>

The policy of reducing hours of work was again advocated by the Minister in September.<sup>2</sup> A good deal of confusion had undoubtedly been caused, he said, by urgent appeals to work seven days a week. These long

<sup>1</sup> TRADES UNION CONGRESS GENERAL COUNCIL: 72nd Annual Report, p. 178.

<sup>2</sup> Speech to the Works Management Association, 18 September, in *Ministry of Labour Gazette*, October 1940, p. 261.

hours were to be regarded as a spurt. It was impossible to keep them up, and production was beginning to decline. He urged industry, as a further volume of trained labour became available, to give continuous consideration to the amount of overtime, which as then permitted meant great physical strain. Wherever the rest pause had been introduced bonus earnings had remained unaltered, which meant that production had gone up. In October an Admiralty instruction was issued to private firms engaged in shipbuilding and repairing, forbidding overtime and Sunday work, except where it was essential.<sup>1</sup> It appears that by this time the excessive hours of May and June were being reduced in most of the war-production industries.

Statutory holidays in trades covered by the Trade Board Act, in agriculture, and in the road haulage industry, were dealt with in July by an Order which prolonged the season within which workers must be allowed a holiday with pay until 31 March 1941, to meet cases in which the holiday could not be given at the normal time. Where a whole week cannot be given at one time the holiday may be given in not more than two spells, one of which must normally precede or follow the worker's weekly rest day. Subject to these changes the workers' statutory rights to holidays remain in full force.<sup>2</sup> In the woollen industry, the Wool Control Advisory Committee in June approved a joint recommendation by employers and trade unions that there should be no complete stoppage in any factory, but that workers should receive six consecutive days' holiday in relays between 5 August and 14 September with due regard to the production position of each individual mill.<sup>3</sup>

Since the beginning of heavy air raids in September a scheme has been worked out to enable workers living in crowded industrial areas, particularly those subject to air attack, to spend occasional nights and days in quieter places near at hand, either in hostels, rest homes, etc., or through private hospitality.

## INDUSTRIAL WELFARE

The heavy strain which has been imposed on industrial workers by the intensification of war production since the spring has made it necessary to devote special attention to industrial welfare. Within a few weeks of the change of Government a Factory and Welfare Advisory Board was appointed to advise the Minister of Labour and National Service on questions of welfare — inside and outside the factories. In addition to official representatives, the members of this Board include a well-known

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<sup>1</sup> *The Times*, 26 October 1940.

<sup>2</sup> *Ministry of Labour Gazette*, June 1940, p. 157.

<sup>3</sup> *The Times*, 24 June 1940.

progressive industrialist, two leading trade unionists, two prominent social welfare workers, and the secretary of the Industrial Health Research Board.<sup>1</sup> Another important development has been the transfer of the Factory Department of the Home Office to the Ministry of Labour and National Service. The Minister has also taken steps to secure an extension of welfare arrangements beyond existing legal requirements, particularly with regard to the appointment of welfare supervisors in factories and the provision of factory canteens. Although it was recognised that services of this kind were being provided, on a voluntary basis, by an increasing number of progressive firms, it was considered necessary to institute a legal basis for these developments by making Orders under which binding directions to provide such services can be given in particular cases. Special training courses for industrial welfare supervisors have been established with the help of educational authorities and other organisations.

The welfare of workers outside the factory is a question with which the Government has not previously been concerned in Great Britain. Its interest in the question is almost wholly due to war conditions. Large numbers of workers are now employed, owing to transfer, away from their homes, and others whose wives and families have been evacuated, are deprived of their normal domestic assistance and, in case of sickness, of nursing and attention. The Ministry of Labour has, therefore, stepped in to meet these requirements and has concerned itself for the first time with the worker outside the factory gates. In doing so the policy of the Ministry has been to provide the facilities the worker needs without creating the impression that they are being forced on him or that he is being "dragooned" in his private life.

Two new pieces of administrative machinery have been created to deal with these questions – the Factory and Welfare Board to which reference has been made above, and a Central Consultative Council on Industrial Welfare. The Central Consultative Council consists of representatives of a large number of voluntary organisations and is divided into four consultative groups, dealing with health, recreation, juveniles, and general problems, respectively. The welfare of men employed in building and civil engineering work, especially in rural areas where amenities are limited, has also been taken up, and considerable improvements, it is stated, have been secured, with the assistance of officials of the Ministry of Labour.

The Ministry of Labour has also appointed a Divisional Industrial Welfare Officer for each administrative division and local Industrial Welfare Officers in every important industrial centre. The function of

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<sup>1</sup> *Ministry of Labour Gazette*, June 1940, p. 157.

these officers is to supervise welfare arrangements outside the factory. They are attached to the local Labour Supply Committees and act in co-operation with the local government authorities and voluntary organisations.

Welfare work outside the factory has taken many different forms. Canteens and other communal feeding arrangements have been established for the benefit of the employees of firms too small to justify the provision of a works canteen. Day nurseries have been provided for the children of working mothers. Local authorities—the official billeting agencies—have been encouraged to establish hostels for workers living away from home, and “clearing hostels” have been set up, which offer accommodation to the worker for one or two nights on his first arrival in a strange town, before he can secure permanent lodging. Special attention is given to the billeting and general welfare of transferred families. Hospital accommodation is arranged for workers who fall sick in their billets, where they cannot be suitably nursed. Recreation is provided mainly in the form of works concerts provided by the Entertainers’ National Service Association, a war-time creation of the entertainments industry. Special arrangements have been made for the welfare of men employed in building and civil engineering work, especially in rural areas where amenities are limited.

### **Seamen’s Welfare**

Welfare arrangements for seamen in port are organised on lines similar to those for factory workers. They are directly inspired by the Seamen’s Welfare Recommendation, adopted by the International Labour Conference in 1936. The Seamen’s Welfare Board is a parallel body to the Factory and Welfare Board. It includes four employers’ representatives, four seamen’s representatives, and two representatives with special knowledge of the voluntary organisations. The Board decided in October to set up or reconstitute Local Welfare Committees in eight ports.<sup>1</sup> Welfare Officers are to be appointed, who will act as secretaries to these Committees and be responsible for taking local action in accordance with their decisions. In three ports Lascar welfare officers are also to be appointed. A Central Consultative Committee of voluntary organisations concerned with seamen’s welfare in port has also been set up. About twenty major voluntary organisations are represented upon it.

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<sup>1</sup> Bristol, Cardiff, Glasgow, Hull, Leith, London, Merseyside, and Newcastle.

## INDUSTRIAL HEALTH AND THE PREVENTION OF ACCIDENTS

The importance of safeguarding the health of industrial workers was realised as a result of bitter experience during the war of 1914-1918, and the appointment of the Committee on the Health of Munitions Workers at that time, followed by the creation of the Industrial Fatigue Research Board (since renamed Industrial Health Research Board) led to far-reaching improvements in health conditions in British factories and workshops. The outbreak of the present war revived the danger of industrial ill-health due to long hours and overstrain, aggravated this time by the "black-out" (with its effect on both lighting and ventilation) and the effects of air raids. With these considerations in mind, the Industrial Health Research Board issued in March 1940, a summary of research findings capable of immediate application in furtherance of the national effort. Its chief recommendations dealt with the avoidance of over-long hours of work, the alleviation of boredom, avoidance of unnecessary movements and effort, sufficient lighting and absence of glare, and satisfactory heating and ventilation.<sup>1</sup>

In July 1940 a Departmental Committee on Lighting presented a report which drew attention to the bad effects of working under inadequate artificial lighting and recommended a new code of lighting for factories.

The possible effect of the speed-up of production on the health of munition workers not unnaturally caused great anxiety during the summer and the Minister of Labour and National Service took an important step forward when he issued the Factories (Medical and Welfare Services) Order. This Order, which came into force on 16 July, provided that occupiers of certain factories may be required by a factory inspector to make arrangements for the supervision of the health and welfare of the workers employed. The arrangements must provide for the whole-time or part-time employment of such numbers of medical practitioners, nurses, and supervisory officers, as the inspector may specify.<sup>2</sup> Many progressive firms already had full-time or part-time doctors and nurses at their works, but the new Order provided legal sanction for bringing less enlightened undertakings into line. In October the Minister prepared to give effect to the recommendations of the Committee on Lighting by sending a draft Code of Regulations to employers for their consideration. It is proposed to apply the recommendations to factories where more than 48 hours a

<sup>1</sup> MEDICAL RESEARCH COUNCIL, INDUSTRIAL HEALTH RESEARCH BOARD: *Industrial Health in War*, 1940.

<sup>2</sup> *Ministry of Labour Gazette*, August 1940, p. 213.

week or shifts are regularly worked.<sup>1</sup> In recent months special attention has also been paid to the remedying of bad conditions of temperature and ventilation, which often resulted last winter from hastily improvised black-out arrangements.

The loss due to accidents is a particularly serious matter in wartime, and the risk is increased by the employment of many people in unaccustomed surroundings. The Minister of Labour and National Service has therefore promoted, with the help of the National Safety First Association, a special campaign for the prevention of factory accidents.

The Factory Welfare Department, which is responsible for stimulating and developing safety arrangements inside the factory, has issued an illustrated pamphlet on *First Aid and Ambulances for Factories*. A pamphlet, *Works Safety in War-Time*, describing the service of posters and pamphlets issued by the Ministry of Labour and produced by the National Safety First Association, has been distributed to employers by the Chief Inspector of Factories.

Fatal industrial accidents occurring to workers, other than seamen, in Great Britain and Northern Ireland were as follows<sup>2</sup>:

	May	June	July	August	September	October
Mines and quarries	100	89	92	76	78	95
Factories	96	99	112	129	124	168
Railway service	31	24	22	23	25	20
TOTAL	227	212	226	228	227 <sup>1</sup>	283
1939 figures	166	190	140	—	209	254

<sup>1</sup> In November this figure was revised and given as 225. There is reason to believe that non-fatal industrial accidents have also increased in number. Statistics of these accidents are normally published in the *Annual Report of the Chief Inspector of Factories*, the publication of which has been delayed this year.

During the period under review there were 309 cases and 15 deaths in Great Britain and Northern Ireland of industrial diseases reported under the Factories Act, 1937, or under the Lead Paints (Protection against Poisoning) Act, 1926.

## INDUSTRIAL RELATIONS

The importance of good industrial relations in wartime needs no emphasis, and it has been a matter for real satisfaction to the authorities that no labour troubles comparable to those which impeded production

<sup>1</sup> *The Times*, 16 October 1940.

<sup>2</sup> *Ministry of Labour Gazette*, July-November 1940.

during the war of 1914-1918 have arisen, so far, this time. Disputes have occurred and are likely to occur, but if the record of the first year of the war is maintained there will be no grounds for anxiety on account of industrial stoppages. In spite of long hours, week-end work, cancelled holidays, transport difficulties, and air raids, the spirit in the factories and workshops has been astonishingly good. Some experienced observers have expressed the view that relations between employers and employed have never been better. The reasons for this state of affairs are not far to seek. What Mr. Will Lawther, the President of the Mine Workers' Federation, has said of the mining industry<sup>1</sup>, "Owners of pits, miners, and officials, are on one side, Hitler is on the other", expresses the dominant feeling in British industry to-day. The threat of invasion has led to a closing of ranks. The participation of labour leaders, with the full approval of the Labour Party and the Trades Union Congress, has removed a good deal of suspicion. And the efforts made by the Government to "take profit out of war" and to maintain social standards as far as possible have created confidence.

After the change of Government in May several new measures were taken to remove general wage problems from the field of controversy and to settle trade disputes without interference with work. As a first step the Minister of Labour invited the advice and assistance of the National Joint Advisory Council, which consists of representatives of the British Employers' Confederation and the Trades Union Congress. The Advisory Council then appointed a Consultative Committee, which in June made the following unanimous recommendations:

(1) In this period of national emergency it is imperative that there should be no stoppage of work owing to trade disputes. In these circumstances, the Consultative Committee agreed to recommend the arrangements which follow.

(2) The machinery of negotiations existing in any trade or industry for dealing with questions of wages and conditions of employment should continue to operate. Matters in dispute which cannot be settled by such machinery should be referred to arbitration for a decision which should be binding for all parties and no strike or lock-out should take place. Where the machinery for negotiation does not at present provide for reference to arbitration the parties should have the option of making provision for such arbitration, failing which the matter for dispute should be referred for decision to a National Arbitration Tribunal to be appointed by the Ministry of Labour. The Ministry should have the power to see that the wages and conditions of employment settled by negotiation or arbitration should be made binding for all employers and workers in the trade concerned.

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<sup>1</sup> Message to the Coal Mining Industry, endorsed by the Secretary for Mines and the Coal Production Council, 25 June 1940.

(3) In any case not covered by these provisions any dispute concerning wages or conditions of employment should be brought to the notice of the Minister of Labour and if the matter is not otherwise disposed of should be referred by him within a definite time-limit to the National Arbitration Tribunal for decision and no strike or lock-out should take place.

(4) These arrangements are to be subject to review on or after 31 December 1940.

The principles of these recommendations were accepted by the Minister, who, on further consultation with the Consultative Committee and the National Joint Advisory Council, issued the Conditions of Employment and National Arbitration Order, 1940, which came into force on 25 July.<sup>1</sup> The main purpose of the Order is to prevent work from being interrupted during the war by trade disputes. As stated in the joint recommendations, it is desired that disputes should be settled as far as possible by the joint machinery of employers' organisations and the trade unions. It was also realised that it was necessary, not only to strengthen existing machinery, but also to enforce the observance of recognised wages and working conditions in order to minimise causes of disputes. The Order, therefore, requires employers to observe terms and conditions which have been settled by collective agreement or by arbitration. Lock-outs and strikes are prohibited, unless the difference has been reported to the Minister and has not been referred by him for settlement within three weeks from the date on which it was reported. The Order further provides for the recording of departures from trade practices during the war, to facilitate the operation of legislation for the restoration of those practices after the war. The Minister also established a National Arbitration Tribunal.

The National Arbitration Tribunal consists of five members; three are appointed members, one of whom is the chairman, and the two other members represent employers and workers. These two members are selected in each case by the Minister from two panels of representatives constituted by him after consultation with the Trades Union Congress and the British Employers' Confederation. Either party to a dispute may report the dispute to the Minister. If collective joint machinery suitable for settling the dispute exists, the Minister must refer the dispute to that machinery. If no settlement is thus reached or if settlement appears to the Minister to be unduly delayed, he can cancel the reference and refer the dispute to the Tribunal.

Where no suitable joint machinery exists or there is failure to settle a dispute by conciliation, the Minister may refer it to the Tribunal. He

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<sup>1</sup> *Explanatory Memorandum, Conditions of Employment and National Arbitration Order, 1940.*



must so refer it if the dispute has not been settled otherwise under the foregoing procedure within twenty-one days from the date on which it was reported to him, unless there are special circumstances which make postponement of the reference necessary or desirable. It sometimes occurs that further time makes it possible for the parties to reach a settlement; but if no settlement is reached the case must ultimately be referred to the Tribunal.

Any agreement, decision, or award, which results from conciliation, existing joint machinery, or reference to the Tribunal, is binding upon the parties, and so is any award reached through agreed arbitration under existing machinery, reference to which is made through the Minister. Thus the principle applied is that the joint machinery in the trade or industry shall continue to operate; reference to the Tribunal is required only for those cases in which the matter has not been settled by negotiation between the parties or there has not been a reference to another form of arbitration by agreement.

The first three awards of the Tribunal were issued towards the end of August. Twenty awards were made in September, and six in October. Of the 29 claims made, 28 were made by trade unions against particular firms or employers' associations, and one by employers (two London theatrical concerns) against a trade union (the Musicians' Union). Twenty-five of the trade union claims related, directly or indirectly, to remuneration (wage increases, war bonus, holiday payments, etc.), and increases were awarded in 14 cases. Of the 12 disallowed claims, four were made by the Bank Officers' Guild for increases in the remuneration of bank officials on a "cost-of-living index" scale. Two of the trade union claims were for compensation for time lost through air raids (including air-raid warnings), and awards were made providing compensation, under specified conditions, for workers who have presented themselves for work. One trade union claim related to the observance of Trade Union Working Rules. No award was made on the claim against the Musicians' Union.

To prevent the work of the Tribunal from becoming congested the Minister of Labour is considering the reference of certain types of cases to other forms of arbitration. The trade unions have been urged to make arrangements so that the joint negotiating machinery should include provision for arbitration if the parties cannot reach a settlement. The establishment of the Tribunal has in fact noticeably stimulated the trade unions in the direction of setting up their own arbitration machinery for their industries.<sup>1</sup>

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<sup>1</sup> Report of the Trades Union Congress General Council, 1940-41, p. 172.

In spite of these developments, a certain number of industrial disputes involving stoppages of work have occurred, but they involved less than half the number of working days similarly lost during the corresponding months of 1939. The number of disputes in progress in May-October 1940 was 420, involving 107,700 workpeople and 290,000 working days. For the same period in 1939 the figures were: 552; 197,900; and 685,000. The figures for June 1940 were the lowest recorded since September 1934, and those for August 1940 were almost as low.<sup>1</sup>

### **Trade Unions and the Employment of Women**

As in the last war great efforts have been made during recent months to substitute women workers for men called up for military service. In the past the employment of women in men's jobs has often led to industrial disputes, but no serious dispute appears to have arisen from this cause during the period under review.

Though many collective agreements continue to fix different rates of pay for women and men, there have also been two or three agreements applying the principle of "the rate for the job". Reference should be made particularly to the agreement of 22 May between the Engineering and Allied Employers' National Federation and the Amalgamated Engineering Union, the Transport and General Workers' Union, and the National Union of General and Municipal Workers.<sup>2</sup> This followed the decision of the Industrial Court with regard to workers employed on trams and buses by the Manchester Corporation<sup>3</sup>, and preceded the award of the National Arbitration Tribunal in respect of workers in the printing trade<sup>4</sup>, which was part of the Tribunal's first award.

### **Trade Union Co-operation with the Government**

Since the present Government entered office in May, the Trades Union Congress has been taken into consultation on an increasing number of questions. Reference has been made elsewhere to the Consultative Committee, which consists of fourteen representatives, seven of the British Employers' Confederation and seven of the Trades Union Congress General Council, and to the Labour Supply Board, which includes two leading trade unionists. The part played by trade unionists on the re-constituted Area Boards (dealing with industrial capacity) and on the

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<sup>1</sup> *Ministry of Labour Gazette*, June-November 1940.

<sup>2</sup> *Ibid.*, June 1940, p. 159.

<sup>3</sup> *Labour*, May 1940, p. 469.

<sup>4</sup> *Ibid.*, October 1940, p. 663.

local Labour Supply Committees has also been mentioned. In May an Order provided that the non-trade members of the Food Control Committees should also include a trade union representative.<sup>1</sup>

Representation has also been secured by trade unions on a very large number of other bodies. There is trade union representation on the Factory and Welfare Advisory Board and on the local Welfare Advisory Panels appointed by the Minister of Labour. At the Ministry of Supply there is a Trades Union Congress Advisory Committee, and trade unions are represented on the Raw Materials Advisory Committee and the Trade Panels Management Committees. At the Ministry of Food there is another Trades Union Congress Advisory Committee, and trade unions are represented on the Commodities Advisory Committee, the local Food Committees, Slaughter-House Tribunals, and the Consultative Committee of the National Food Campaign. The Trades Union Congress General Council is represented on the Central Price Regulation Committee, and trade unions are represented on 17 regional Price Committees. At the Ministry of Information there are trade union representatives on both regional and local committees.

Other bodies on which trade unions are represented are the Export Council, the Coal Production Council, the Agricultural Executive Committees, the Fisheries and the Shipping Advisory Councils, and the Cotton Board.<sup>2</sup>

### Trade Union Membership

The total of trade union membership at the end of 1939 was given by the Ministry of Labour as 6,234,000, as against 6,052,000 at the end of 1938. Male trade unionists had increased by 2.6 per cent. and female by 5.4 per cent., a joint increase of 3 per cent.<sup>3</sup> The present total membership is stated to be probably more than 6¾ million.<sup>4</sup>

While an increase of membership was to be expected, it has to be remembered that many trade unionists are now in the Armed Forces. Some unions have therefore to meet considerable financial obligations while receiving fewer subscriptions. Other unions, in "reserved" occupations, are better placed in this respect.

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<sup>1</sup> John PRICE: *Labour in the War*, pp. 133, 148, 155.

<sup>2</sup> Report of the Trades Union Congress General Council, 1940-41, pp. 225-226; John PRICE: *Labour in the War*, pp. 151-162.

<sup>3</sup> *Ministry of Labour Gazette*, October 1940, p. 212.

<sup>4</sup> *Industrial News*, 12 November 1940.

### **The Trades Union Congress**

The annual Trades Union Congress was held from 7 to 9 October; 645 delegates attended the Congress. The number of organisations affiliated to it was 176, with a membership of approximately 4,867,000 at the end of 1939 (an increase of nearly 200,000). The Congress was addressed by the Minister of Labour, who appealed for every possible effort to expedite the production of armaments and equipment and gave particulars of further provisions which are being made for the welfare of workers engaged in or transferred to munitions production.

A special resolution carried by an overwhelming majority recorded the "inflexible resolve of Congress to go on with the struggle against the aggressor Powers" and approved the measures taken by the General Council to safeguard the interests of trade unionists and to enlist the active co-operation of the organised workers, through their unions, to make the fullest use of the country's man-power and industrial equipment.

Other resolutions dealt with the working of the National Arbitration Tribunal and the effects of its findings on trade union aims and conditions; the restrictions imposed on the trade unions by the Trade Disputes and Trade Unions Act, 1927; the regulations concerning the conditions and payment of unemployment benefit for married women; the income limit for National Health Insurance; the reform of workmen's compensation legislation; the payment of National Health Insurance benefit in addition to workmen's compensation to incapacitated workers; the welfare of young children in wartime; and the preparation of plans to deal with the effects of the diminution in armament manufacture after the war.<sup>1</sup>

### **THE STANDARD OF LIVING**

It is not possible to make a simple generalisation about the effect of the war on the standard of living of the people of Great Britain other than the statement that the war has caused some astonishing divergencies from the normal standards of every class in the community. Some, whose incomes come from businesses or occupations which have derived advantages from the war, are "better off" in many ways than they were a year ago, in spite of heavier taxation, higher prices, rationing, and the limitation of supplies. Others, dependent on businesses or occupations which have suffered as a result of the war, are now in much reduced circumstances. Arbitrary forces outside the control of any of the individuals concerned have upset the pre-war income relationships of millions of people. It is cer-

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<sup>1</sup> TRADES UNION CONGRESS GENERAL COUNCIL: 72nd Annual Report; *Ministry of Labour Gazette*, October 1940, p. 263.

tain, however, that the number of people who are "better off" in a material sense as a result of the war is very small compared with the number of people who have suffered a reduction in their standard of living. Excess Profits Duty, the higher scale of Surtax, and the Purchase Tax, have made it well-nigh impossible for the business class, however favourably placed, to "do well out of the war". The professional and salaried classes have, for the most part, experienced an appreciable reduction in their standard of life. A small proportion of manual workers have been able to increase their weekly earnings by a greater percentage than the increase in the cost of living (including the increased cost of wartime necessities and conventional luxuries, not taken into account in the official index). In all probability, however, the great majority are rather worse off, and a considerable number distinctly worse off, than they were before the war. The absorption of over half a million unemployed workers into employment has probably raised the standard of living of at least double that number of people in spite of the higher cost of living. The revised scale of Service separation allowances has placed the wives and families of many men normally working for low wages at no disadvantage compared with their pre-war position. The supplementary old-age pensions scheme has improved the lot of thousands of elderly people. On the other hand, the dependants of Service men whose normal earnings were not less than average must be living at an appreciably lower standard, except in cases where it has been possible for a wife or some other non-earner in the family to take employment. The increased scales of workmen's compensation, unemployment insurance benefit, and unemployment allowances, do not make up for the higher cost of living. And the position of those who have to rely on National Health Insurance sickness or disability benefit—unchanged since the outbreak of war—has obviously worsened.

The only available data for a quantitative comparison between the standard of living of wage earners before and during the war are those provided by an investigation into the propensity to save, carried out by Charles Madge on behalf of the National Institute of Economic and Social Research. Mr. Madge and his team in Coventry, Blackburn, and Bristol, have obtained sufficient particulars of the economic circumstances of a random sample of homes to make a general comparison with their pre-war position possible. In the case of working-class families, excluding those with earners called up, Mr. Madge gives the following picture:

	Income more Per cent.	Same Per cent.	Less Per cent.
Coventry	55	33	12
Blackburn	57	25	18
Bristol	54	25	21

A middle-class sample were asked if their income was more, same, or less, than before the war, with this result (again excluding families where earners were called up):

	Income more Per cent.	Same Per cent.	Less Per cent.
Coventry	28	33	39
Blackburn	17	50	33
Bristol	10	40	50

Mr. Madge points out that these percentages are based on small figures but that they show an unmistakable contrast with the working-class figures. It should be noted that these results relate only to money incomes and take no account of the increased cost of living. But in Bristol, where Mr. Madge followed in the footsteps of the British Social Survey, a detailed comparison of the relation of net income to standard needs in 1937 and 1940 was possible. The result shows that astonishingly little change had taken place:

	1937	1940
More than 50 per cent. above needs <sup>1</sup>	68.4	66.0
Less than 50 per cent. above needs	20.9	24.3
Total above needs	89.3	90.3
Below needs	10.7	9.7

<sup>1</sup> Including a small proportion of "unknown, certainly above".

The various factors which might have been expected to produce changes appear to have cancelled out.

During the period under review the principal developments affecting the standard of living of the wage-earning population were (1) the social consequences of air attack, (2) changes in taxation, (3) changes in the official rationing scheme, (4) the Government's nutrition policy, (5) the rise in prices, (6) developments in the social services, and (7) improvements in the scale of war pensions and allowances. These developments will be considered briefly in turn.

### The Social Consequences of Air Attack

During the first ten months of the war, air attacks on Great Britain were sporadic and relatively unimportant. After the collapse of France they developed with great intensity but were, for another two months, directed mainly against shipping and fighter aerodromes. During September

and October 1940 they were concentrated on the population of London. The loss of life from the air raids on London was surprisingly small<sup>1</sup>, but the material destruction which they caused was enormous.<sup>2</sup> Thousands of working-class houses were destroyed or so damaged as to be uninhabitable for some time, and many workers employed in factories, workshops, warehouses, and retail stores, which were affected by bombing, were temporarily thrown out of employment. The homeless survivors of these raids were provided for in various ways. Many of them went to live with friends or relatives, near their own homes or elsewhere. Others were given accommodation in official Rest Centres, organised by the Public Assistance Department of the London County Council, until billets could be found for them through the official billeting organisation of the London Boroughs. Others again were sent away to official evacuation areas outside London (or, as happened in some cases, found their way to towns and villages round about on their own account). Those who had lost all were provided with shelter, food, clothes, and ready cash, through the Rest Shelter Service and the Assistance Board (whose wartime functions are summarised below); those who had lost furniture but wished to set up a new home were given a grant for this purpose; those who wished to move furniture from damaged houses were helped, so far as possible, to do so. Travelling expenses and billeting allowances were granted to encourage evacuation, and claims for civilian war pensions and for war damage compensation began to be dealt with. Gradually those thrown out of employment are being reabsorbed either at their former place of work or elsewhere. Meanwhile they have been maintained, where necessary, by the Assistance Board.

### Changes in Taxation

Reference has already been made to the two Finance Bills which passed through Parliament during the period under review. As a result of these measures the standard of living of the wage earner was affected in

<sup>1</sup> The figures are as follows:

#### CIVILIAN AIR RAID CASUALTIES

(Compiled from *Times Review of the Year*, 2 January 1940.)

1940	Killed	Seriously injured
June	336	476
July	258	321
August	1,075	1,261
September	6,954	10,615
October	6,334	8,695
November	4,588	6,202
Total	19,545	27,570

<sup>2</sup> Though it was small relatively to the total value of the property in the raided area.

several ways: (a) the reduction of the tax-free limit and the re-adjustment of allowances has brought a large number of lower-paid workers within the income-tax class and has necessitated the arrangement whereby income tax on wages and salaries is now deducted by the employer at the source; (b) increased postal charges and duties on beer, tobacco, and entertainment, affect the family budgets of the great majority of the wage-earning class; (c) the Purchase Tax, even in its revised form<sup>1</sup>, remains a stiff impost on a wide variety of goods which are regarded by wage-earning families as ordinary necessities of living. The effect of these changes cannot be seen, but it is evident that they will make an appreciable difference to the purchasing power of the wage-earning and salaried classes.

### **Rationing**

The purpose of rationing is, in the words of the Ministry of Food, to ensure the fair distribution of foods which are not available in full normal quantities. Only foods in general used in approximately similar quantities throughout the population are suitable for rationing. During the period under review the following changes were made in the weekly ration of such foods.

#### **Butter and Margarine.**

The ration, which was 8 ozs. in May, was reduced on 3 June to 4 ozs. On 22 July the combined butter and margarine ration was raised to 6 ozs.; the butter could be taken in any proportion. On 30 September the butter ration was reduced to 2 ozs. but the total butter and margarine ration remained at 6 ozs.

#### **Cooking Fats.**

This ration was reduced to 2 ozs. on 22 July.

#### **Sugar.**

The ration, which was 12 ozs. at the beginning of May, was reduced on 27 May to 8 ozs.

#### **Tea.**

Rationing was introduced on 9 July. The ration is 2 ozs.

#### **Meat.**

The ration, which was 1s. 10d. worth in May, was increased on 30 September to 2s. 2d. worth.

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<sup>1</sup> A reference to this tax has already been made on page 9.



The following table sets out the rations which were allowed at the end of October, together with the average pre-war consumption of each commodity:

Food	Ration per head per week October 1940	Pre-war domestic consumption per head per week (average)
Meat	2/2d worth (= about 1 ¾ to 2 lbs.)	About 1 ¾ lbs. (27.4 ozs.)
Fats	<div> <div> Butter 2 ozs. Margarine 4 ozs. Cooking fats 2 ozs. </div> 8 ozs. </div>	<div> <div> Butter 7.1 ozs. Margarine 1.8 ozs. Cooking fats 1.4 ozs. </div> 10.3 ozs. </div>
Bacon and ham	4 ozs.	5.6 ozs.
Sugar	8 ozs.	17.0 ozs.
Tea	2 ozs.	2.6 ozs.

It will be seen that the meat ration was equal to average peace-time consumption, and only about 80 per cent. of the ration is taken up by the public. The total fats ration represented a reduction of about one-fourth. The small butter ration of 2 ozs. was to some extent compensated for by the 4 ozs. margarine ration. All margarine sold to the public contains vitamins A and D in quantities equal to those of summer butter. The cut in bacon and ham consumption was relatively small and unimportant. The sugar ration was only half the normal consumption. But British sugar consumption has for years been among the highest in the world and it is claimed that most dieticians would agree that its reduction is likely to be beneficial rather than otherwise. The tea ration involved a cut of about 25 per cent. This is undoubtedly the ration that has been most resented, but there are ample supplies of coffee and cocoa to remedy the shortage.

It is not at present possible to give any very accurate figures showing the extent to which the various rationed foods are actually consumed. A rough estimate of the proportion at present taken up by the public for domestic consumption is summarised below:

	Per cent.
Meat	80
Sugar	96
Bacon and ham	65
Tea	100
Margarine	100
Butter	80
Cooking fats	90

Supplies of the rationed foods to hotels, restaurants, canteens<sup>1</sup>, etc., are restricted, but ration coupons do not have to be given up for these

<sup>1</sup> Works canteens enjoy priority for a number of supplies.

meals. Thus the factory worker in his canteen and the office worker in his café or restaurant can supplement their rations to a limited extent. Such important foods as bread, flour, and potatoes, are unrationed and supplies are available without restriction of any kind at prices little above pre-war.<sup>1</sup>

### **Nutrition Policy**

The Ministry of Food has been concerned, not only to see that available food supplies are distributed fairly and economically, but also to make sure that the nation's wartime diet conforms as far as possible to the requirements of the nutrition experts. Thus, the Ministry has encouraged the growth of fruit and vegetables in private gardens and allotments and has arranged for their distribution and the disposal of any surplus produce. In the case of bread, the Ministry has emphasised the superiority of wholemeal bread over white bread. It has, however, allowed the production of white bread to continue for two reasons. First, because the great majority of consumers much prefer white bread; secondly, because for reasons of security it is necessary to store reserve stocks in the form of flour and not of wheat and the keeping qualities of white flour are greater than those of wholemeal flour. The Ministry proposes to remedy the lack of vitamin content in white flour by fortifying it with vitamin B1 and to introduce into the loaf a small quantity of calcium salt. The public will have a choice between fortified white bread and wholemeal bread at the same price. Milk has been the subject of a special scheme.

#### **National Milk Scheme.**

A national milk scheme has been in force since 1 July, on which date the retail price of milk was raised. The object of the scheme is to ensure that the rise in the price of milk, made necessary by increased cost of production and distribution, does not affect those classes of the community whose need for milk is greatest. The scheme covers all expectant or nursing mothers and all children up to the age of compulsory school attendance (5 years). (A scheme was already in operation for the supply of milk to schoolchildren.)

These mothers and children can obtain one pint of milk daily at 2d. per pint (the retail price in most areas was 3½d. in June and 4d. in July). This arrangement applies irrespective of income.

If the family income is small the milk can be obtained free. Where the father and mother together have not more than 40s. a week, they qualify for free milk. The limit is increased by 6s. for every dependent

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<sup>1</sup> Information supplied by the Ministry of Food.

member of the household who has no income of his or her own. If there is only one parent the limit is reduced to 27s. 6d., with the same 6s. allowance for dependants. Permit holders under the scheme may obtain tuberculin-tested, sterilised or other special milk by additional payment.

On 8 November the number of persons benefiting under the scheme throughout the United Kingdom was 2,526,000, out of an estimated number of 3,900,000 potential beneficiaries. Nearly 10 million gallons of milk are being distributed under the scheme each month, but the national consumption has probably not increased by more than half this amount, the remainder being in substitution of milk previously purchased at the full price.<sup>1</sup>

The cost of the scheme is estimated at £7,500,000 a year.<sup>2</sup>

#### Communal Feeding.

The disturbance to family life caused by evacuation, the employment of married women, and industrial transference, air raids, and transport difficulties, has had a profound effect on the eating habits of the community. Workers whose wives are evacuated or themselves working can no longer rely on a well-cooked mid-day or evening meal at home. Workers who are living in billets often depend on canteens or restaurants for their food. Housewives living in houses which have been damaged in air raids, or temporarily lost their water, gas or electricity supply as a result of bombing, often find it difficult to prepare hot meals at home.

To meet this situation the Government, following the example of many progressive firms and voluntary organisations, has organised the provision of communal feeding facilities on a large scale. In July the Ministry of Labour undertook a survey of the requirements of factory workers throughout the country and the Ministry of Food made a survey of all existing catering establishments, to obtain information regarding premises and equipment.<sup>3</sup> An officer was appointed by the Ministry of Food to organise communal feeding facilities throughout the country. A large number of canteens, communal kitchens, and public feeding centres, have since been established where cheap nutritious meals may be obtained.

Since the beginning of intensive air raids on London a great deal of attention has been paid to the provision of emergency feeding centres. Up to 4 October, 58 feeding centres had been opened by public authorities and plans had been made to open some 200 more centres if they were

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<sup>1</sup> Information communicated by the Ministry of Food.

<sup>2</sup> Parliamentary Secretary to the Ministry of Food, House of Commons, 18 July 1940.

<sup>3</sup> Ditto.

needed. Many more feeding centres are being run by voluntary societies.<sup>1</sup> Food is also being provided in air-raid shelters. Some 95 authorities in the Greater London area were asked to take action<sup>2</sup>, and on 25 October food was being provided in about 360 shelters in the London County Council area.

### The Rise in Prices

Although the prices of many articles of food, clothing, and domestic utensils, have been controlled since the outbreak of war, increased costs of production and distribution have been reflected in rising prices. The Ministry of Labour Cost of Living Index has been as follows (1914 = 100):

	All items	Food only
1939	—	—
September	155	138
1940		
May	181	158
June	187	168
July	185	164
August	187	166
September	189	169
October	192	172

The increase (nearly 24 per cent. since the war began) has not very greatly advanced since the spring of 1940. In June the food index rose by 10 per cent. This was attributed mainly to the increase in the price of potatoes (new crop). The price of potatoes fell in July and more than counterbalanced the increased price of eggs and other foodstuffs. In August some further reduction of potato prices did not offset other price increases, especially for sugar and eggs. The increase in September was mainly attributable to an increased cost of eggs and fish and (in some districts) milk. The October increase was due to a further increase in the price of eggs and a slight increase in the price of potatoes.<sup>3</sup>

Orders made by the Minister of Food have at various times between May and October fixed maximum prices for oranges, cheese, canned salmon, bacon, milk, condensed milk, eggs, tea, sausage, potatoes, cream (the sale of which was later prohibited), sugar, jam, peas, dried peas, beans, and lentils, canned corn beef, onions, lemons, imported cod fillets, and rabbits.<sup>4</sup>

Other items which increased in cost were coal (in May), tobacco and cigarettes (in July, as a result of increased taxation), and clothing, which

<sup>1</sup> *Ministry of Food Bulletin*, No. 54, 4 October 1940.

<sup>2</sup> *Ibid.*, No. 57, 25 October 1940.

<sup>3</sup> *Ministry of Labour Gazette*, June-November 1940.

<sup>4</sup> *Ibid.*

increased in price in May, August, September, and October.<sup>1</sup> Railway fares were increased, but no increase was made in the cost of workmen's tickets.<sup>2</sup> As the purchase tax did not come into force until 21 October, its effects were not felt during the period under review.

It is worthy of note that nearly three million workers are governed by agreements under which their wages are affected by sliding scales based upon the cost of living.<sup>3</sup> The cost of living is also a primary factor in all claims put forward by workers for increases in wages.

### The Social Services

During the period under review social conditions have deteriorated in many respects, but some important developments have taken place in the public social services. Education and the school medical service have suffered gravely in some parts of the country as a result of air raids and a new wave of evacuation. The building of new houses has come almost to a standstill, and large numbers of people who were comfortably housed a few months ago are now living in conditions which, by peace-time standards, are grossly overcrowded. On the other hand, improvements have been made in the scales of workmen's compensation payments, unemployment insurance benefit, and unemployment allowances; the scope of unemployment insurance has been extended to even higher-paid workers; a modification of the "Means Test" has been announced; and a major reform, in the shape of a supplementary old-age pensions scheme, has been introduced. Moreover several new social services have come into existence to deal with the social consequences of large-scale bombing attacks.

#### Education.

Education has been the most serious social casualty of the war in Great Britain. At the beginning of this war hundreds of thousands of children were transferred from areas considered vulnerable to air attack to safer areas all over the country. Hundreds of school buildings were commandeered for war purposes, and the need to provide some protection against the effects of aerial bombardment made it necessary for hundreds of others to be closed temporarily. The building of new schools ceased for the time being and the extension of the school-leaving age to 15 years had to be postponed. By the end of May, however, reasonably satisfactory educational arrangements had been made in most parts of the country and the majority of children, whether at home or in the evacuation areas, were

<sup>1</sup> *Ministry of Labour Gazette*, June-November 1940.

<sup>2</sup> *The Times*, 22 October 1940.

<sup>3</sup> *Ibid.*

receiving some form of regular schooling. In June 1940 new difficulties began to arise. The threat of invasion in the summer led to the evacuation of several coastal areas which had previously been "reception" areas for London children, and the heavy raids on London in September and October caused thousands of parents to send their children away to the country. At the reception end educational arrangements were speedily improvised and the majority of evacuees of school age were soon attending classes, if only for two or three hours every day. At the sending end, however, conditions were not favourable for continuing normal classes for the children whose parents had kept them in London and, although many schools were kept open, great difficulty was experienced in getting children to attend regularly. At the end of October some 110,000 children of school age were still living in the London county area, of whom only 17,000 were attending school.<sup>1</sup>

Although British education has suffered grievously as a result of the war it would be a mistake to suppose that there have been no gains. Many interesting educational experiments are being carried out in the reception areas, and the advantages of life in the country for thousands of children drawn from the poor quarters of great cities are manifest. Reports from the reception areas indicate that most of the children have gained in health and that they have benefited greatly from this wider range of social experience and their life among natural surroundings.

The creation of a National Youth Council and the official encouragement which has been given to organisations providing for the welfare of young people between the ages of 14 and 20 years are also worthy of remark. In response to a circular of the Board of Education, 129 local education authorities out of 149 in England and Wales replied by 31 August 1940 that they had started some form of youth welfare scheme. Some of them had appointed paid youth organisers. In order to encourage these developments grants were made by the Board of Education to local authorities and voluntary organisations. Arrangements were also made with the War Office to release physical training instructors from official war duties. Some 50 instructors were released immediately and 200 were put on a "no action" basis as club leaders.<sup>2</sup> In some areas, "Youth Service" Schemes—combining informal education and active participation in some form of national service—have sprung up. These developments are causing a new ferment of ideas in education circles which may affect profoundly the future trend of educational policy in Great Britain.

<sup>1</sup> Since the end of October the number of schoolchildren living in London has fallen considerably, and as a result of an intensive campaign to improve school attendance the majority of those who remain are now receiving some education.

<sup>2</sup> *The Times Educational Supplement*, 26 October 1940.

**Public Health.**

Air raids and the partial evacuation of dangerous areas have had a disturbing effect on the civilian public health and medical services, which had, in any case, suffered a reduction in personnel. Great efforts, however, have been made—apparently with some success—to maintain those services in the heavily bombed areas and to strengthen them in the reception areas. Special attention has been paid to the health of people in air-raid shelters, and measures have had to be taken to prevent epidemics. Immunisation against diphtheria has been carried out—voluntarily—on a considerable scale, and in some areas precautionary measures have been taken against typhoid infections. Happily no marked deterioration in the state of public health has yet been observed and the Minister of Health was able to make a very reassuring statement on this subject to the House of Commons in November.

**Housing.**

The outbreak of war naturally caused an immediate reduction in house building. In September 1939 local authorities were asked for the time being to postpone slum clearance and, also for the time being, not to begin work on new houses unless they were required for workers in the war factories or on the land. They were, however, instructed to complete houses in an advanced state of construction. As a result of these measures the number of new houses finished declined rapidly during the first nine months of the war and by the beginning of May little building for civilian use was being undertaken, except in a few areas serving new war supply factories. During the summer the building industry was engaged almost entirely on defence works, military buildings, and accommodation for the expanding war industries. Since September it has also been engaged on war damage repairs. Very few houses have been built.

The effect of the reduction in house building has been aggravated by evacuation, the movement of workers to expanding armament centres, and the bombing of residential areas. As a result severe overcrowding exists in some parts of the country, though in other areas (notably London) there are large numbers of unoccupied houses.

The rents of working-class houses were stabilised at the beginning of the war.

**Workmen's Compensation.**

As a result of the war, sittings of the Royal Commission on Workmen's Compensation were suspended. Fundamental changes which were generally admitted to be necessary had to be postponed for the time being. Meanwhile it was decided to introduce a temporary measure which would

bring scales of compensation in closer relation to current needs. Thus the Workmen's Compensation (Supplementary Allowances) Act received the Royal Assent on 8 August.

The Act provides that in cases of total incapacity a supplementary flat-rate allowance of 5s. a week shall be paid to any injured person, of either sex, who is entitled to weekly payments of compensation under the principal Act. Provision is also made for the payment of increased allowances in respect of the children of an injured male workman. These allowances are 4s. a week in respect of each of the first two children under the age of fifteen years and 3s. a week for each additional child under that age.

The children in respect of whom allowances are payable are legitimate or illegitimate children born to the workman not later than nine months after the accident giving rise to compensation, step-children whose mother was married to him before the accident, and children adopted by the workman, or by him and his wife jointly, before the accident.

In cases of partial incapacity there is a scaling down of the allowances so as to bear the same proportion to the maximum allowances as the weekly payment in respect of partial incapacity bears to what the weekly payment would have been in the case of total incapacity.

The maximum amount of compensation and allowances which can be drawn in cases of total incapacity is fixed as seven-eighths of the pre-accident earnings. In cases of partial incapacity the maximum is seven-eighths of the difference between the average earnings before and after the accident.

The measure also provides some safeguards against the abuse of the practice of redeeming weekly compensation payments by lump sums.

The Act, which came into force on 19 August, applies not only to accidents arising thereafter but to all cases where the accident in respect of which compensation is payable occurred after 1 January 1924. It is calculated that the increase in the total amount of compensation payable will be about 30 per cent. of the present total, which is estimated at about £9,000,000 a year.<sup>1</sup>

#### **Unemployment Insurance.**

One of the first social measures introduced by the new Government was an Unemployment Insurance Bill, which passed through Parliament during the summer and received the Royal Assent on 25 July 1940.

The chief provisions of this measure were as follows:

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<sup>1</sup> The Act applies to workmen entitled to compensation under any Compensation Scheme for silicosis or asbestosis, subject to the adaptations, modifications, and exceptions, contained in the Workmen's Compensation (Silicosis and Asbestosis) Amendment Scheme, 1940.



(1) It provided for raising the weekly rates of benefit under the general scheme by 3s. for men and women aged 21-64 and by 2s. for young men and young women aged 18-20. The rates of agricultural benefit were raised by 3s. for men aged 21-64 and by 2s. for young men aged 18-20 and women aged 18-64, and the maximum weekly amount of benefit which can be received under the agricultural scheme was raised by 6s. There was no change in the rates of benefit for persons under 18 years of age.

(2) It also provided for altering the benefit rule which permitted payment of benefit only if an insured contributor had been unemployed for at least three days out of any six consecutive days, so that an insured contributor is now entitled to benefit (subject to the usual conditions) if he is unemployed for two days out of any six consecutive days.

(3) These additional benefits are met by increased contributions, which are provided for in the Act in respect of all classes of persons aged 18 years and over; under the general scheme the weekly rates for all persons of those ages were increased by 1d. for each contributing party (employer, worker, and Exchequer) and under the agricultural scheme by  $\frac{1}{2}$ d. for each party.

The provisions regarding benefit came into operation on 1 August 1940, and the new rates of contributions on 5 August.

(4) The Act provided for the inclusion within the unemployment insurance scheme, as from 2 September 1940, of "non-manual" workers whose rate of remuneration exceeds £250 but does not exceed £420 a year. Non-manual workers who are outside the scope of unemployment insurance by virtue of other provisions of the Unemployment Insurance Acts (e.g., established Civil Servants, teachers, and police) are not affected by these extensions.

(5) It was further provided that persons thus brought within the scope of the unemployment insurance scheme should, as from 1 September 1941, also be included within the scope of the unemployment assistance scheme.

In a financial memorandum accompanying the Unemployment Insurance Bill when it was first presented to Parliament it was stated that the additional income to the Unemployment Fund from the increases in the rates of contributions and extension of insurance was estimated by the Government Actuary to be about £9,400,000 a year in the case of the general scheme and £200,000 a year in the case of the agricultural scheme. It was also stated that, in the opinion of the Government Actuary, the additional income under normal peace-time conditions (i. e., assuming

an average rate of unemployment of 15 per cent. for the general scheme, as envisaged by the Unemployment Insurance Statutory Committee) would be approximately equal to the new expenditure out of the Unemployment Fund. During the war, however, with unemployment at a much lower level, the proposals in the Bill would probably result in some increase in the balance of the Fund as a reserve for the post-war years.

#### **Old-age and Widows' Pensions.**

The Old Age and Widows' Pensions Act, 1940, received the Royal Assent on 21 March, that is to say about six weeks before the new Government took office. It will be recalled that the Act provided for the lowering from 65 to 60 of the age at which contributory old-age pensions are payable to women, and for the payment of supplementary pensions, in case of need, to old-age and widow pensioners over the age of 60 years. The duty of administering the supplementary pensions scheme was placed on the Unemployment Assistance Board, renamed the Assistance Board. The question whether a person is in need of a supplementary pension, and the amount of the supplementary pension, were to be determined in accordance with regulations made jointly by the Minister of Health and the Secretary of State for Scotland, and approved by Parliament.

The first set of Regulations prepared under this Act was withdrawn before it was submitted for Parliamentary approval, presumably in deference to the views of the labour members of the new Government. Revised regulations were issued on 8 June, and the supplementary pensions scheme came into operation in the first full week in August.

The Regulations follow the same broad principles as the existing Unemployment Assistance Regulations. They determine the general standard of supplementary pensions, but the rates can be adjusted to meet the circumstances of the particular case. The method of arriving at the amount of the supplementary pension is to assess the needs of the pensioner (together with the needs of any dependants living with him) as if the household had no resources; and then to deduct the resources of the whole household, including the main pension to be supplemented. Not all resources are taken fully into account, however, and some may be disregarded altogether. The rate for a married couple who are not members of a larger household is 31s. if only one of them is a pensioner, or 32s. if they are both pensioners. In the absence of any other resources and subject to adjustment for rent or special circumstances, the main pension is made up to this sum. The basic rate for a pensioner living alone is 19s. 6d. Under a special provision all these amounts may be increased during

winter.<sup>1</sup> There is a right of appeal to an independent Tribunal, and the Board takes into account any general recommendations of local Advisory Committees, notably with regard to the treatment of rent.

The new scheme has proved to be remarkably popular. Over 300,000 women between the ages of 60 and 65 years have become pensioners, and about a million and a quarter old-age pensioners are receiving supplementary allowances.

#### Special Assistance.

One of the most interesting developments in British social administration since the outbreak of war has been the enlargement of the functions of the Assistance Board (formerly Unemployment Assistance Board). The Board is now responsible not only for the administration of unemployment assistance and supplementary pensions, but also for the prevention and relief of distress due to the war; for the payment of civilian war injury allowances; and for the payment of compensation for war damage to property belonging to persons of limited income. Since July the principal activity of the Board has been the inauguration of the new supplementary pensions scheme. But the heavy air raids on London in September and October gave the Board many opportunities of exercising its wider wartime functions.

The new supplementary pensions scheme took a great deal of the work of the local Public Assistance authorities away from them, and, as the Assistance Board has been made responsible for the domiciliary relief of war distress, the functions of the Public Assistance authorities have become much more restricted. They are, however, responsible for the provision of rest centres for homeless people after air raids. Since September the London Rest Centres Service (which is an outgrowth of the London Public Assistance authority) has played an important part in rendering first aid to the social casualties of air attack. At the end of October there were over a hundred official Rest Centres in London, and many more have since been provided. Similar developments have taken place in other cities. In the reception areas the Public Assistance authorities have also played an important part in providing food and shelter for "unofficial" evacuees.

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<sup>1</sup> Extra winter allowances have been paid since the week beginning 4 November. They are payable until the end of March. Each case is dealt with on its merits, but the usual allowance is 1s. in the case of a single applicant and 2s. in the case of a normal household. *Parliamentary Debates, House of Commons*, 16 October 1940 (written answer).

**The Modification of the Means Test.**

Another development which owes its origin to the participation of labour in the Government is the proposed modification of the basis of determining need in the administration of unemployment allowances, blind persons' pensions, and supplementary old-age pensions. It was announced in the House of Commons on 6 November that the Government intended to introduce legislation the effect of which will be to limit enquiry to the needs and resources of the applicant, his wife, and dependants. The resources of other members of the household will not be included.<sup>1</sup>

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<sup>1</sup> *Ministry of Labour Gazette*. November, sets out the Government statement in full (page 282).

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